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WIND ENERGY MILL FARM TO SUPPLY ELECTRICITY FOR AREA

Copenhagen BERLINGSKE TIDENDE in Danish 10 Mar 82 p 5

[Article by Peter Kjelstrup]

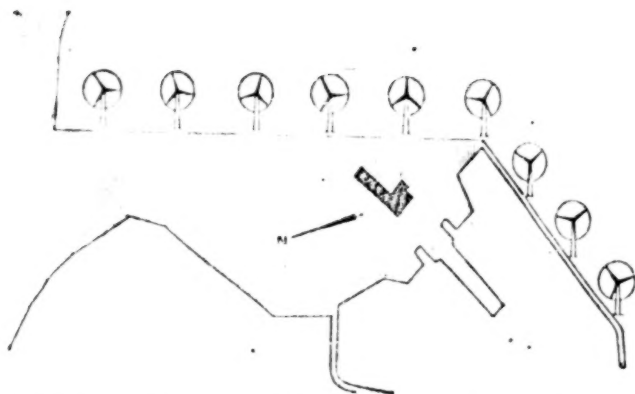
[Text] Within a year, Ebeltoft Ferry Harbor will be transformed into a windmill park. This will happen as the result of a project that calls for the ferry company, Mols Line, Inc., to erect a total of nine windmills in the water along the harbor jetties. The first windmill is expected to go up within a few months, depending on when Energy Minister Poul Nielson gets the subsidy provision for renewable energy sources renewed. If this windmill lives up to expectations, the construction will continue, with a planned completion date around this time next year.

The estimated cost of the project is around 3 million kroner and it would make the ferry harbor independent of other sources of energy. At the same time ferry passengers will be able to follow the production of the windmills and the harbor's energy consumption on display panels in the arrival hall.

If the whole project goes according to plan, the harbor on Sjaelland Odde is also expected to be turned into a windmill park.

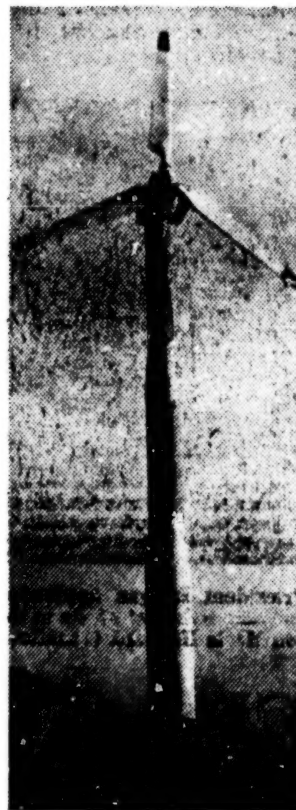
Each windmill has a capacity of 55 kilowatts and will be supplied by the Nordtank firm which has high expectations of locating the windmills in the water along the jetties. Factory leader P. H. Morup told BERLINGSKE TIDENDE that almost all harbors would be very suitable, since they provide for a location near the water while at the same time avoiding the need to disturb the scenery along bathing beaches.

The electricity produced by the nine mills will correspond to the consumption of around 300 single-family homes, the firm disclosed.



Molsliniens plan om at lade færgehavnens energiforbrug dække af i alt ni vindmøller, opstillet langs molerne.

The Mols Line's plan to cover the ferry harbor's energy consumption by placing a total of nine windmills along the jetties.



This is how the Nordtank mill looks. A total of nine of them will be set up along the jetties in Ebeltoft Ferry Harbor.

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CSO: 3106/79

REPORT ON HEATING OIL COSTS, CONSUMPTION IN 1981

Rome STAFFETTA QUOTIDIANA PETROLIFERA in Italian 19 Feb 82 p 3

[Article: "On the Basis of Figures from the Fuel-Merchants Association--Recession in the Heating-Fuels Market in the FRG"]

[Text] The GDB--Gesamtverband des Deutschen Brennstoffhandels (that is, the Fuel-Merchants Association)--has published a report on the course of the heating-fuels market in the FRG market in 1981. The summary figures indicate that approximately 75 million tec [tons-equivalent of coal] were consumed for the heating of 25.4 habitations. Including value-added tax, the consumers spent a total of DM 54 billion; 65 percent of the total volume was supplied through the association's member firms.

As regards the breakdown by the various types of fuel, the following are the percentages for all the habitations: 49 for petroleum products; 13 for coal; 22 for gas; 8 for electrical energy; 8 for central heating. The number of habitations heated with centralized plants is calculated at 16.4 million, and those with autonomous heating plants, 9 million. As regards centralized heating plants, the percentages for the various sources are as follows: 58 for petroleum products, 26 for gas, 12 for radiators, 4 for coal. For autonomous heating plants, the percentages are: 33.3 for petroleum products, 15.5 for gas, 29 for coal and 22.2 for electrical energy.

The total heating needs for 1981 corresponded to an "average" year from the climatic point of view; it was 5.4 percent less than the preceding year, which was colder. The consequent drop in fuel sales was 12 percent for gas-oil and 10 percent for solid fuels. As compared with the end of the preceding year, reserves with the consumers dropped by 750,000 tons of gas-oil, and remained constant for coal and coke. At the end of 1981, available stocks were 17 million tons of gas-oil and 2.2 million tons of solid fuels. Also according to the GDB's data, the number of firms dealing in heating products dropped by 3.3 percent in 1981, to 13,000. Coal was sold by 10,675 firms with 80,000 employees, including the owners of the firms. The sellers of gas-oil for heating break down as follows: 16 refiners with 400 sales outlets, 20 importing companies, 10 interregional commercial companies with more than 400 subsidiaries, and 2,200 cooperatives selling products including liquid heating fuels. About 3,000 firms dealing in fuels operate under contract with the oil companies. The market share of these firms, including their direct subsidiaries, is 30 percent, and that of the independent companies with supply contracts with the big companies is 33 percent.

The causes of the 12-percent drop in sales of liquid fuels, equal to 4.9 million tons, are attributed by the GDB as follows: 1.6 million tons to the climatic conditions, 1 million tons to the restructuring due to modifications for use of other types of fuel, 800,000 tons to running-down of stocks, and 1.5 million tons to energy-saving measures. The total volume of sales of gas-oil for heating is estimated by the association at 36.29 million tons, with a maximum reached in February with 3,906,000 tons.

Prices

As a result of the rise in the dollar exchange rate in 1981, with the resulting increase in the cost of importation of crude--from a border value of DM 278 in 1979 and DM 456 in 1980 to DM 629 in 1981--the prices of liquid heating fuels rose concomitantly also: on the average, almost 150 percent per year between 1978 and 1981. For quantities of 4,000 to 5,000 liters, the consumers had to pay (including value-added tax) an average of DM 73.93 per 100 liters (about Lit 39,405). In 1980 the price was DM 62.67, and in 1979, DM 53.07. The highest price was in December 1981, at DM 82.50 per 100 liters.

Because of this rise in prices, the GDB points out that an increase in the taxation on liquid heating fuels, planned for the needs of the federal budget, would not be justified, inasmuch as it would cause a further price increase very disadvantageous to the consumers, who may not drop below the 20 °C presently considered the minimum acceptable for the FRG climate.

Furthermore, according to the association, application of the tax would hit only that part of the population that uses liquid fuels, creating a clear tax injustice.

The Situation with Heavy Fuel Oils and Solid Fuels

The recession was especially sharp for the heavy fuel oils, with a further drop of 22 percent to 15.8 million tons, attributable to the negative situation in the general economy. Sales of solid fuels both for heating and for the retail trade did not meet the sector's expectations either. A 9.1-percent sales drop-off was registered, down to 6,875,000 tons, including 3.6 million tons of anthracite (down 10.9 percent) and 3,275,000 tons (down 7 percent) for small anthracite. The price lists of the regional commercial companies showed the following percentage increases over 1979: anthracite 39, cannel coal 37, small anthracite 34, lignite briquettes 46. Despite the economic advantageousness of solid fuels, considerable circumspection about use of them was noted on the part of industrial users. The drop in sales in this sector--7 percent-- is attributed mainly to reasons connected with the current economic situation, and in parallel with this, to the consumers' use of their reserves. According to the GDB's experts, if there are not any new investments to obtain further energy savings, there should not be any further reductions in either the industrial or domestic solid-fuels market. It should be kept in mind, in any case, that because of a considerable running-down of stocks, the sharp decrease in sales does not really correspond to an actual drop in effective consumption. However, in view of the general situation of recession, it is not expected that reserve stocks will be substantially built up again in the near future. For the current year, the association forecasts a stabilization of sales at the 1981 level.

BRIEFS

CHEAPER USSR OIL--Following the decrease in the official crude oil sale price by the Soviet Union, the price of the crude oil Greece purchases from that country will be decreased on the basis of a bilateral agreement. The new decrease will be 1.50 dollars per barrel and according to Commerce Deputy Minister I. Papaspyrou the price Greece will be paying for the procurement of Soviet crude oil is estimated at 32.35 dollars per barrel. It is also estimated that following the two successive decreases in the price of the Soviet oil, Greece will be saving in foreign exchange an amount 24 million dollars less than was originally estimated for the purchase of such oil. According to reports, Iraq and Saudi Arabia are expected to announce a decrease in the official price of crude oil in the next few days. It should be noted that the bilateral agreements for the procurement of oil include the condition of price readjustments commensurate with the official sale prices in each country. The fact, however, is that the free market prices are already at much smaller levels than the official prices. [Text] [Athens I KATHERIMERINI in Greek 4 Mar 82 p 97 7520

ENERGY PRICES TO VARY--The basic price of electric current for home consumption will not at all be increased in 1982 but an increase is considered for electricity used by agriculture and by local self-government organizations. In contrast, as of 3 January 1982, the price for industries is increased by 27-36 percent and for commercial uses by 17 to 18.4 percent. Industry Minister Peponis announced that the increase in industrial use is limited because manufacturing participates in the overall consumption of electricity by 52.9 percent while industry's participation in the income of the Public Power Corporation [DEI] from current consumption is limited to 33 percent. Peponis revealed that DEI high tension [power] and special customers like the Pesine Co. are being subsidized by almost 9 billion drachmas and that for the first time the new arrangements will decrease this subsidy by an estimated amount of 3.2 billion drachmas. An announcement yesterday points out that the increases do not affect the popular classes, that they cover a large part of DEI's deficit (11.2 billion drachmas) and that the remainder deficit of about 2 billion drachmas remains uncovered. The announcement adds that the government's aim is to study and implement measures for decreasing the DEI administrative expenses and exploitation. [Text] [Athens TA NEA in Greek 10 Mar 82 p 17 7520

CSO: 4621/233

HIGH INTEREST RATES THREATEN FARMS' VIABILITY

Copenhagen BERLINGSKE TIDENDE in Danish 10 Mar 82 p 5

[Article by Lars Dyrskjot]

[Text] Some 20,000 farms are in an economic bind. They cannot be saved simply by raising EC prices, agricultural sources say.

There are 20,000 economically hard-pressed farms that will be in the spotlight when Folketing holds its agricultural debate today and when the government, headed by Anker Jorgensen, talks to agricultural representatives tomorrow.

Yesterday, when the Agricultural Council published its latest report to the government, the president of the Agricultural Council, H. O. A. Kjeldsen, emphasized the urgent need to find a speedy solution to the debt problems of agriculture. But at the same time he stressed that personally he wanted as broad a solution as possible--preferably with the Social Democrats as compromise partners.

Deadline on 1 April

"State guarantees on installment payments for 5000 farmers expire on 1 April and another 5-6000 farmers will not be able to avoid forced auctions either unless something is done now," said the president of the Agricultural Council. In addition, according to a survey made by the Agricultural Economic Institute, another 5-10,000 farmers are in very serious economic difficulties.

"None of these farmers can be helped simply by raising EC farm prices. A real eradication of debt is needed. Developments have led to a complete deterioration of the production apparatus on these farms," said H. O. A. Kjeldsen.

Plus 6 Billion

Agriculture estimates that there is a need for a general total income improvement in Danish agriculture of 6 billion kroner a year. If we can

manage to get hefty increases in EC prices in the upcoming talks in Brussels, some of the money--probably 3 to 4 billion kroner--could be raised that way. The rest must come one way or another from the Danish treasury.

Agriculture itself recommends a debt eradication based on a combination of index loans, K [expansion unknown] loans at low interest rates and loans from financial institutions at reduced interest rates. But a prerequisite for agriculture favoring index loans is that indexing according to net price figures be suspended if farmers' incomes fall below the incomes of other population groups.

"For some farmers it may be necessary to enter into contract arrangements in which the state is also involved. Agricultural service firms have already been hard-pressed by the farm crisis and many will be unable to survive if they have to enter into new contract arrangements," said the president of the Agricultural Council.

Agriculture also wants a number of changes in tax conditions, including: elimination of the capital gains tax; a ceiling on municipal land taxes and the elimination of county land taxes on production land along with modifications of the calculation basis for the portion of assets that concerns physical business assets.

Open to All

"In the opinion of agriculture, all arrangements should in principle be open to all farmers. Our new plan simply expands on what we recommended to the government back in January. Thus the government knows what agriculture wants, but we do not yet know what the government intends to do," said H. O. A. Kjeldsen.

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CS0: 3106/79

BRIEFS

RELIEF AGREED FOR AGRICULTURE--All parties in Folketing agree that the real credit law should be changed to provide relief for farmers in difficulty. This was apparent Wednesday during the first Folketing discussion of a proposal from Housing Minister Erling Olsen to lift the old limits on the general reserve funds of the credit associations. The old arrangement has been inadequate since there are a number of applications left that could not be accommodated. According to the housing minister there are 7819 applications for relief loans totaling 887.2 million kroner. There are 1274 applications to the Denmark Credit Association, 1073 to the United Credit Associations and 5472 to the Jutland Credit Association. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 11 Mar 82 p 1] 6578

CSO: 3106/79

NIGERIAN PRESIDENT SHAGARI WELCOMES ECONOMIC TIES WITH BONN

AB191258 Lagos NAN in English 1235 GMT 19 Mar 82

[Report by N. Mgbemena, W. Maida and F. Adesegha]

[Text] Bonn, 19 Mar (NAN)--Nigeria rejects and denounces any attempt to establish a linkage between the independence of Namibia and events in other parts of Africa, President Shehu Shagari said in Bonn yesterday. The president made the declaration at a reciprocal dinner he gave in honor of the president of the Federal Republic of Germany, Prof Karl Carstens.

President Shagari, who is currently on a 4-day official visit to West Germany, said: We insist that the right of self-determination is inalienable and the people of Namibia must not be denied their rights.

Continuing, the president said: Nigeria sees the continuation of the inhuman and degrading policy of apartheid in South Africa and its extension to Namibia with all its implications as the real threat to the entire continent of Africa in general.

He said that the Western world might be accused of a double standard. While pointing accusing fingers at real and presumed violations of human rights elsewhere and advocating sanctions against the perpetrators, it failed to advocate a similar measure aimed at combating this crime against humanity by South Africa.

The president stressed the need for the friends of South Africa to impress upon her the inevitability of change: a change that will recognize the equality of human beings and the control of the destiny of that nation by the majority of its people. He said that the tendency to prevaricate and hesitate over crucial decisions in the process of negotiation on Namibia must be avoided, and emphasized the need for all parties concerned to work within the timetable of UN Resolution 435 which envisages the completion of all processes for the attainment of full independence for Namibia this year.

President Shagari also repeated his invitation for a world food conference to be held in Africa to discuss the issue of the ever-increasing food shortage in many parts of the world. He made a similar call last October at Cancun, Mexico, during the international meeting on cooperation.

He said that he personally shared the view expressed by the president of the Federal Republic of Germany in 1979 that the fight against hunger needed a global effort on the part of the governments and peoples of both the developed and developing countries. President Shagari said that it is in the mutual interest of all countries, developed as well as developing, to accelerate the pace of change in order to create a more just international economic system.

The president said that he was satisfied that his visit had achieved its primary purpose of further cementing the cordial relations between the Federal Republic of Germany and the Federal Republic of Nigeria.

Speaking on Nigeria's current development, the president said that "this gigantic plan" was definitely beyond the capacity of Nigeria only to execute, and invited the genuine cooperation and assistance of friendly countries such as Germany. He said that Nigeria would continue to ensure that genuine investors and entrepreneurs from the Federal Republic of Germany and from all friendly countries got fair returns on their investments.

Responding, the president of the Federal Republic of Germany, Prof Karl Carstens, said that the interdependence between the continent of Europe and Africa was a fundamental political fact.

He said that Germany respected the independence and self-determination of African states, adding that the genuine nonalignment pursued by Nigeria was in full consonance with the view of Germany.

CSO: 3120/53

BRIEFS

NIGERIAN LNG PROJECT--Bonn, 17 Mar (NAN)--President Shehu Shagari said today in Bonn that the production of liquefied natural gas (LNG) in Nigeria would begin in 1989. Answering questions during a meeting with representatives of German chambers of industries and commerce, President Shagari said that consultants had been invited for the reappraisal of the LNG project. He said that the reappraisal would be completed by January next year and that tenders would be invited for the project in March 1984, while the contract would be awarded a year later. President Shagari said, "We still have three of the partners engaged in the project with us and we are seeking for more and we hope German entrepreneurs will take interest." He said that Nigeria was confident that with the cooperation of the Germans, market for Nigeria's LNG could be secured in Western Europe, adding that this would be of mutual benefit to both countries. [By N. Mgbemena, W. Maida and F. Adesegha] [Text] [AB180830 Lagos NAN in English 0805 GMT 18 Mar 82]

CSO: 3120/53

EDITORIAL ON TRADE UNIONS' ACTIONS, POLITICAL GOALS

Rotterdam NRC HANDELSBLAD in Dutch 12 Mar 82 p 7

[Editorial: "Flight of Fancy."]

[Text] Today it is action day. Action by the FNV [Netherlands Trade Unions Federation] against the plans of the cabinet on illness benefits which even this morning were not known exactly in the form of a bill. That in itself is already a curious side of the matter, just as it is curious that the action leaders express their objections to the government plans through actions against companies who themselves are not happy with the plans either. Partly in view of the precarious economic position in which many companies find themselves, the latter is not difficult to imagine.

Formally the actions are aimed at the illness benefit plans, but it is certainly a fact that in the background much broader anxiety and uncertainty about the future play a role. The economic crisis, the threatening loss of property and the inevitably approaching reorientation in the makeup of the social welfare state are determining the mood.

In fact, the actions and protests of the FNV -- as has been well demonstrated -- are emphatically not a choice of actives versus non-actives, but it is clear that they put under pressure the widely preached solidarity between the two groups. That element may cause sadness, but it does not disappear by a mere denial of it. The socialist rulers Den Uyl [Minister of Social Affairs] and Mrs Dales [Secretary of State for Social Affairs], who carry the primary responsibility for the adaptation of the illness benefits regulation on behalf of the cabinet, have referred to this element on various occasions.

With respect to the position of the FNV leadership, the actions illustrate a flight of fancy which causes concern for the future. What is notable is that the greatest part of the union movement is not only in trouble because of a loss of members, but it also seems to find itself in great conceptual problems -- when it says it wants to stick to the solidarity between the employed and those who do not work.

Obviously great are the much-discussed difficulties of the strongest political arm of the labor movement, the PvdA [Labor Party], which faces the necessity of drastic mental and political-programmatical changes. But it could very well be that

the difficulties of the union movement will turn out to be much greater in the longer term. And it should be mentioned that the manner in which it is currently reacting doesn't show much promise.

The actions of the last few weeks, in which today's actions form the climax so far, also raise another question, certainly now that they are so specifically directed against plans which first of all come from ideologically related members of government. Namely the question what -- politically speaking -- is really still the significance of the thus far justly so often praised broad social support for a government coalition. This question becomes more pressing when such a coalition, like the current one, does not stand out in homogeneity.

Now that the biggest trade organization gradually seems to (have to?) distance itself from involvement in the socioeconomic course changes needed in this country a situation is arising in which the role of "politics" is increasing in importance proportionally. That in itself is no reason to act gloomy, although some doubt may arise as to whether the politicians can handle this more important role.

The demonstrations of political and administrative resolution of the last 10 years, for example, unfortunately do not invite a reassuring prognosis in that respect. Action is indeed needed, namely political action; in that respect today's trade union actions indeed give a clear signal.

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CSO: 3105/127

GOVERNMENT REGULATIONS RESPONSIBLE FOR REDUCED SHIPBUILDING

Government as the Problem

Madrid ACTUALIDAD ECONOMICA in Spanish 25 Feb 82 pp 35-40

[Article by Eduardo Ferreira]

[Text] The way out of the crisis in the Spanish shipbuilding sector is only possible if it succeeds in gaining access to international fleet markets. The way to achieve this is to free itself from state intervention which is preventing the Spanish fleet from being competitive.

The evolution of the Spanish merchant marine continues to follow the trend that made its appearance at the end of the 1970s at which time it started to undergo a profound change, not exactly arising out of the country's situation. It is a change that demands a departure from the economic framework within which the fleet has been evolving more as a consequence of Spanish industrial development than the country's participation in international maritime traffic.

The stagnation or slight decline in the fleet in the past few years does not seriously concern Spanish shipowners, as it is much less than that which has taken place in other traditionally maritime countries because of the 1970s crisis.

Internationalization of the Fleet

The short-term challenge posed by expansion of Spanish participation in the transport of national and international products is the procuring of profitable trade, whether it be bulk and general cargoes or special products. But this cannot be accomplished without a perspective of adaptation to the international situation over the long-term. However, the reconciliation of new building projects with a shipping business situation which cannot be considered optimistic from several standpoints makes it necessary to find immediate solutions to urgent problems, such as the financing of the in-service fleet or opportunities for investment in the new fleet to be built or purchased.

From the international standpoint, the economic stagnations produced by the increase in oil prices has had very negative repercussions for international trade, both as regards raw materials and manufactured products. The fleet has remained

virtually stagnant, with respect to its transporting of such international commerce. The resurgence of demand for ships, particularly conventional bulk-transport vessels, has posed a new threat to the vigor of the merchant fleet projected for the next 2 years.

In fact, the speculative demand for oil tankers of less than 100,000 tons has produced an important decrease in the level of fleets of this kind of ship. However, the same thing can happen to the level of prices for maritime transport of the principal dry-bulk cargoes in the near future. There will be an increasing demand for fuel coal; however, infrastructure problems concerning the shipment of that coal from points of origin can present a bottleneck. This would produce an imbalance between supply and demand with serious detriment to the profitability and viability of operating those recently ordered ships.

Conflicting Growth

Future prospects for the growth of maritime traffic, resulting from an anticipated world economic recovery, make it necessary to clarify the Spanish merchant marine situation. In the opinion of ANAVE [Association of Spanish Shipowners], the merchant marines of the industrialized nations have only developed within the context of economic freedoms incompatible with a policy of protection of other sectors, fundamentally attentive to their domestic market, because merchant marine activities are based on international relations.

In 1980, the Spanish fleet remained practically stagnant, with an almost imperceptible decrease in numbers. This demonstrates that the prior year's appreciable decrease was not caused by the country's situation but rather was the result of unresolved problems. The apparent equilibrium attained in 1980 is suspect if we take into consideration the great number of tons lost in 1981.

While there has been a trend in world fleets toward stagnation of annual growth, the Spanish fleet maintained its growth, contrary to this trend, which has led to the development of the last 2 years. Since 1976 when world fleets increased 8.7 percent, the annual growth rates decreased until they reached a little over 1 percent in 1980. On the other hand, the Spanish fleet increased 17 percent in 1976 and 1977, dropped to 8.5 percent in 1978, incurred a decrease of 3.5 percent in 1979 and subsequently maintained a slower rate of decrease of about 0.2 percent.

Once again we must place the blame for this situation on the lack of a merchant marine policy responsive to the current situation, which is having such an impact on the economic structure of the shipping business.

In a related matter, the continuing rise in the prices of national ships and the costs of operating them are taking away the competitiveness of the Spanish fleet at a time when the international market is presenting great complexity. If we add to this an anti-inflation policy, which will avoid the adding to freight charges for products regulated on the Spanish market of the total increase in costs--some of which are quite high, such as those deriving from the use of fuels--an untenable financial situation will result for companies that have to operate on the world market.

In 1980 the transport fleet decreased from 7,378,000 gross register tonnage at the beginning of the year to 7,367,000 tons at year's end. However, this equilibrium was not maintained equally throughout the fleet, with decreases incurred by the oil and unspecialized dry-cargo fleets.

This development is in contrast to the evolution of world fleets in the same year, during which practically all kinds of ships experienced increases.

A Still-Young Fleet

The rate of decrease in the average size of the Spanish fleet has been practically stopped, with a drop of only 13 gross register tons. The average decrease in gross register tonnage at the end of 1980 was 8,616 tons. The future trend will be another reduction in average size, as the average size of planned ships is somewhat less than 6,000 tons and the average size of those ordered last year was somewhat more than 4,000 gross register tons.

Also in 1980, the gradual aging of the Spanish fleet continued, in spite of which it is still one of the world's youngest fleets. Although Spain continues to be in fifth place, its age difference vis-a-vis the leading countries has increased. At present, 78.2 percent of the fleet is less than 10 years old, while the 1979 percentage was 80.3 and the 1978 percentage 82. About 1.6 percent of the fleet is 25 years or more old, while in prior years the percentage of ships that old was 1.5 percent.

Ship Construction in 1981

Doubtless, one of the barometers of the situation in the sector is the evolution of productive activity. In its annual report, the Spanish Shipbuilders' Association (CONSTRUNAVES) cites flatness in shipbuilding activities, firmness in exports and apathy in the national market as the three most noteworthy aspects of the Spanish naval industry in 1981.

The tonnage of ships completed in Spanish shipbuilding yards in 1981 was 484,702 tons, slightly lower than in 1980. However, tonnage of ships started was 625,029 tons, the highest figure since 1977 and a good sign for the reactivation of this industry.

Another positive aspect reported by CONSTRUNAVES for 1981 is exports, with contracts worth about 80 billion pesetas, representing cargoes of 63 ships with a total tonnage of 390,649 tons, the highest figure for foreign trade since the start of the crisis. On the other hand, the demand of the national market, 220,405 tons, has dropped to levels unknown since the 1960s. "Unfortunately," CONSTRUNAVES reports, "the prospects in this sector cannot be promising so long as the country continues to lack a maritime policy in line with its economic, commercial and strategic needs."

The order book of Spanish shipbuilding yards at the beginning of 1982 was somewhat in excess of 1.5 million gross register tons, of which 60 percent represent orders from foreign shipowners.

CHART

Spain, World Power

The principal merchant and fishing fleets of the world:

	<u>No. of Ships</u>	<u>TRB in thousands*</u>
Liberia	2,281	74,906
Greece	3,710	42,005
Japan	10,422	40,836
Panama	4,461	27,657
Great Britain	2,975	25,419
USSR	7,867	23,493
Norway	2,409	21,675
United States	5,869	18,908
France	1,199	11,455
Italy	1,677	10,641
China	1,549	9,541
Spain	2,678	8,134
World total	73,864	420,835

*TRB: Gross register totals

Source: Lloyd's Register of Shipping

Carlos Barreda, Entrepreneur

Madrid ACTUALIDAD ECONOMICA in Spanish 25 Feb 82 p 37

[Text] Carlos Barreda is the president of Mar Petrol, a company which has six ships engaged in the transport of chemical products. His entire life is connected with the naval sector, first with the Navy and since 1961 with the Merchant Marine, having been vice president of the Merchant Marine in the second and third governments of the monarchy.

"The Spanish shipbuilding entrepreneur," Barreda said, "has not had sufficient incentive for development. He has been unable to internationalize himself, a necessary condition for the shipbuilding enterprise. It is not profitable for him to devote himself exclusively to domestic traffic because of the impossibility of absorbing the tremendous costs of investments in a limited market, which are basically due to the high price of ship construction in Spain--where the Spanish shipbuilder is forced to operate--compared to countries like Japan or North Korea."

Excessive Requirements

"We have to take advantage of the financing granted by certain foreign countries for new construction, to be able to buy secondhand boats, to buy and sell freely and to have the freedom to establish ourselves in any country. On the other hand, ship financing in Spain is not granted with account taken of these needs for internationalization. Extraordinary guarantees are required for credits, and the

enterprises are forced to have exorbitant capital which they do not need. That, combined with other bank requirements, results in a failure to establish new enterprises and causes the situation of those already in existence to be precarious."

Because of his experience as vice president, Carlos Barreda's views on the administrative organization of the Spanish Merchant Marine are of interest: "It is true that a Ministry of Transportation has been established; however, it has not done what we would suppose an organization of that kind should do, that is, coordinate transportation in Spain. For example, we do not understand why ports are outside the Ministry of Transportation. That lack of an overall concept of transportation is what makes me deduce that the ministry is not fulfilling the mission for which it was established, but instead is limiting itself to the making of patchwork policy."

From Port to Port by Highway

"A striking example of the lack of an adequate transportation policy is the failure to engage in coastal waters transport. Most transports of bulk shipments and heavy cargoes, which could be handled port-to-port by using our coastal fleet, are effected by highway, at a much higher price not only in terms of pesetas per ton and kilometer but also in terms of energy savings. The most absurd example I know is the case of an enormous propellor for an oil tanker which was transported from Cadiz to Ferrol by highway."

"The maritime administration has been extraordinarily devalued because in the Ministry of Transportation there is no awareness of the maritime problem. Spain has extended its territorial waters to 200 miles, by means of which it now has a maritime domain of 1 million square kilometers, double the land mass. It appears that no one has realized this, contrary to what has happened in France, for example, where a Ministry of the Sea has been established. What they have done here is place maritime administration under an undersecretariat, under a directorate general, from which point--for obvious reasons--it is very difficult to carry out a maritime policy."

Nevertheless, Carlos Barreda does not wish to give the impression of presenting an excessively negative balance sheet: "We entrepreneurs will never lose confidence in the future. We are not facing a chaotic situation, far from it. Spain can play an important role in the world's merchandise traffic. We are trying to be competitive by liberalizing the terms of buying boats or by helping Spanish shipbuilders to be competitive, or both things at once. The Spanish shipbuilding sector is not in need of special aid: the only thing it wants is to be able to navigate on equal terms with its foreign competitors."

Fernandez-Tapias, ANAVE President

Madrid ACTUALIDAD ECONOMICA in Spanish 25 Feb 82 pp 38-39

[Text] Fernando Fernandez-Tapias, president of the Spanish Shipowners Association (ANAVE), which includes the 145 principal enterprises in the sector, told ACTUALIDAD ECONOMICA of his dissatisfaction with the stagnation of the Spanish

merchant fleet: "To keep the fleet stable is not a satisfactory objective for the shipbuilding enterprises, as this supposes the breaking of the line of increases which was continued until 1978." Fernandez-Tapias attributed the unequal legal context within which the Spanish fleet operates vis-a-vis the foreign fleet sector to lack of competitiveness in the international markets. "We need to equip ourselves with the possibilities of action which are available to the fleets of other maritime countries--with the same fiscal treatment, financing, purchasing of ships and other operational resources--and we must not be captives in a context which places us at a disadvantage."

In this regard and in response to questions by ACTUALIDAD ECONOMICA, Luis Gamir, minister of transportation, described the old draft legislation as "defective"; therefore, it is being reworked. Apparently, one of the most controversial topics is the division of authorities between the public and private sectors with respect to fleets.

Abandonment of the Sector

According to Fernandez-Tapias, it would be important to restructure a sector whose principal problem "is our difficulty in convincing the economic-decision making centers, particularly the Administration, that our sector not only is a significant motivator of the economy, with over 100 billion pesetas of gross added value, but, above all, a sector with an enormous future, very superior to the future of industrial sectors which are the daily concern of economic policy measures of quite inferior scope to those that would have an updating effect within the context of development of our merchant marine."

"Concretely, in the fiscal sector, the recent raising of the ITE [export tax] to 4 percent on the national fleet [pabellon] represents a handicap from which foreign shipbuilding enterprises are exempt, a good example that ships delivered for export to Spain are exempt from this indirect tax.

"What is more, the enormous increase in the price of ships offered by the shipyards makes it very difficult to materialize new investment projects, given the fact that taxes on cargoes prevent our thinking about viable operations, not even for the medium-term."

Unequal Treatment

"As regards the operation of our ships, we now have the most serious threat of extraordinary raises in port tariffs, which is aggravated by the fact that when they were proposed and applied our sector was not sufficiently represented on the port decisionmaking organizations."

Unwilling to run through the entire list of Spanish shipbuilder complaints, the ANAVE president fixed his attention on a subject which is becoming increasingly significant: the need for improving nautical training at all levels. "Magnificent service and professional quality are being offered by persons holding mid-level positions who are encountering unjustifiable difficulties carrying out their professional duties, and it is necessary for the proper functioning of the

Merchant Marine not only to have an excellent officer corps but also to have these greatly esteemed professionals available in all of our shipbuilding enterprises."

"If our requests are met, the Spanish fleet could double its present personnel staffing at the beginning of the next decade, producing an increase in net added value to the economy of \$1 billion and the generation of direct and indirect employment for over 50,000 men."

8143

CSO: 3110/97

OZYORUK BEMOANS ECONOMIC 'TRAGEDY' FACING TURKS

Istanbul TERCUMAN in Turkish 31 Dec 81 p 6

[Article by Mukbil Ozyoruk]

[Text] Reports of suicide have begun to appear in newspapers. We read that so-and-so, a retired civil servant, or so-and-so, a retired laborer, sold his house, gave his money to a stock broker, and now has committed suicide when he was unable to recover a cent. Can't a similar report of suicide be printed about the person who, in great confusion and with destroyed hope, has lost his "only chance" to get rich quickly and has become completely engulfed in despair and pessimism? Is his fate any different from that of the person who has thrown himself under a train? If the latter is suicide, the former is nearly so.

The other day while I was talking with a friend who is an economics professor, one of these persons plunged in "like a raging bull that had broken its halter." He had given his money to a stock broker at 9-percent interest per month or 108-percent interest a year, but now the stock broker was nowhere around. Exclamations of pain and disgust arose. We all become one, unable to remain sitting there doing nothing. We wanted to arise and look desperately for a solution, and we wondered what we could do, what comfort we could give. "Hey, look here," the man claimed righteously, "Now, the government should pay me my money. It is the state's responsibility."

On the same day, I encountered a retiree whose retirement bonus, his sole means of support, had been snatched from him in the same manner. Immediately following this and also on the same day, there was an old woman who had sold her goods, fields, and garden in her home town and whose money from the sale had been carried off by a broker. Right behind was another retiree. I said to him:

"I will ask one thing. If I had promised you 100 percent or 110 percent interest per year, told you I would pay it to you monthly, and asked for the money in your hand, would you have let go of your money and given it to me?"

He acted confused and he paused. He hesitated to say, "No, I wouldn't," so as not to hurt my feelings. I continued, "You wouldn't have. Of course, you

wouldn't have, because you know me. If I had asked to borrow 100 liras from you on the condition that I would pay 100 liras in interest, you would have guessed that I could not have used the 100 liras to any advantage or in any profitable business, and you would not have given it to me. Even though you trust me, you would not have given it to me because you know that I would not be able to make good on my promise, my contract. Very well then, how did it happen that you got up and gave what you had and what you did not have to a perfect stranger?"

Of course, he had no answer. But, he did grumble, groan, and complain and said, "Look here, now the government should pay me." I asked, "Did you and the government make such a contract?" I added, "In other words, the state should take tax money from me and indemnify you for your adventure. Is this proper?"

But, no one can deny that there was something the state could have done about this issue at the very beginning. What was it? Tackle usury immediately. Demand, in behalf of citizens, security from these types of brokers. And one more thing. As the minister of finance said several months ago, "The citizen must look to the leaders for a solution," in order to prevent the panic that is felt now and that stems from long ago. A broker, whether strong or weak, certainly had to put the money in a time deposit account somewhere in order to pay these interest rates. How can he withdraw it suddenly and pay his debts in a minute? He does not hide the money in a safe. Does money sitting in a safe yield this much interest? If all the depositors rushed the banks, what would happen to even our strongest ones?

The only thing those who cry for help with, "Now, the government should pay me my money," wish to say is, "Why didn't the state caution me in time? Why didn't it warn me? Why didn't I receive protection by means of a warning?" Unfortunately, there are no answers to these questions.

When asked, "Why didn't you deposit your bonus in a bank, invest it with an established brokerage firm? Why did you go out on so-and-so street and give it to so-and-so, a usurer?" the reply is, "Because this usurer promised twice the interest that banks and established brokers give."

Now, don't you feel sorry for the person who commits suicide, for the sobbing retiree, for the widow? Would anyone say, "Let him take his punishment"? Those who allow the "unconventional broker" they do not know to carry off what they have in their hands, in their pockets, are men who have been "conditioned" to the callous "parasitism and opportunism" that have existed for years and that have become quite widespread. Or they are squeezed by the cost of living. Or they want to "experiment just this once." In this nation, the passion to get some profit out of a scheme runs rampant.

I discussed and wrote all this without understanding a thing about the economy or even about such "monetary operations." My mind cannot grasp these concepts. But this scene breaks one's heart. It is one of destruction of lives in the community caused by a cursed plant whose roots descend very deep and whose leaves and fruits poison and even kill those who taste them. Wherever you look, there is tragedy.

CELIKEL WARNS AGAINST DESTROYING BANK SYSTEM

Istanbul CUMHURIYET in Turkish 31 Dec 81 p 7

[Text] THA--Murtaza Celikel, Istanbul Chamber of Industry acting chairman, reported that banks are burdened with a 200-million-lira interest payment at the end of 1981 and said, "My fear is that the banking system is being destroyed now by the faulty policies that are being pursued." Celikel asserted that "brokers are the victims in 1981 of faulty practices that have followed in the Turkish financial sector for years."

In a statement to a THA [Turkish News Agency] correspondent, Celikel stressed that the "man on the street" is paying the price for Turkey's "irresponsible economic policy." He went on:

"As the year 1981 draws to a close, what strikes our eye is this. A part of the gambling indulged in by Turkish citizens under the supervision of the Ministry of Finance has resulted in what we have seen in newspapers (but not in what we can discern from TRT [Turkish Radio and Television Administration] commercials). However, in my opinion, most gambling will cease in 1982. Moreover, the cards used at the gambling table and dealt out by the monetary policy of the Ministry of Finance and Mr. Ozal are marked. It was decreed long ago that it would be the citizen who loses.

"In 1981, brokers became the victims of the faulty practices of the Turkish financial sector that have been followed for years. However, it is only the man on the street who again pays the price for the irresponsible economic policy. As can be seen with the brokers, officials remain outside events, suppose they have controlled the situation by dealing with each incident individually, or come up with measures long after anything can be done. My fear is that, this time, the banking system will be destroyed by the faulty policies being pursued. Signs of this happening are now prevalent."

Warning Bells in Banking System

Celikel spoke about the banking system, saying:

"I wish to point out a danger created for the banking system by the rapid increase of the percentage of time deposits in relation to total savings

deposits. As of the end of 1981, time deposits, which exceed 500 billion liras, leave banks faced with an interest payment of more than 200 billion liras. A large proportion of this interest will, without being converted into cash, be credited to customers' accounts, and, even if depositors do dissolve their accounts, approximately 50 billion liras as the 25-percent income-tax stoppage and 60 billion liras as the 30-percent deposit supplementary return will be deposited in the treasury and the Central Bank. While, on one hand, paving the way for a serious reduction in credit, several banks whose financial structures are shaky will put up deposit certificates for sale through the hands of brokers in order to meet needs for ready cash. In this manner, the time that is gained, by raising the cost of resources, spells an increase in the danger of already-weak banks' falling into a completely difficult situation.

"Despite all these developments, which have brought the banking and brokerage sector to the state of a lighted stick of dynamite ready to explode at any moment, there still exists the opportunity to eliminate the danger, even if only partially, with intelligent measures.

"1. The state must guarantee the money deposited by citizens with brokers. For example, the state could contract to pay the principal on all deposits made with brokers prior to 1 January 1982. In this manner, the hole opened in the pocket of low-income citizens by faulty practices will be able to be closed, even if only partially.

"2. Irregular practices such as the confidential account deposit certificates must be halted immediately. As of the new year, the sale of deposit certificates by brokers directly and through brokers' intermediaries must be prohibited.

"3. A serious measure must be introduced immediately to deal with the trend toward monopolization that exists among banks in the private sector and with the abnormalities in ownership.

"The primary goal is to prevent a group or a holding company from owning a controlling share in more than one bank. Later, the maximum number of shares that can be owned by a group or a holding company in even a single bank must be restricted to a rational percentage."

11673

CSO: 4654/120

AUTO INDUSTRY CONTINUES ITS SLUMP

Istanbul MILLI GAZETE in Turkish 5 Jan 82 p 4

[Text] Bursa (THA)--Automobile production in 1981 fell to the "lowest level" of the past 10 years at the TOFAS [Turkish Automobile Factory Corporation] and the Oyak-Renault automobile factories. Whereas TOFAS produced 12,881 automobiles, Oyak-Renault manufactured 12,700.

Oyak-Renault has the capacity to produce 45,000 cars per year and utilized 28.2 percent of its capacity in 1981. Production at TOFAS, whose capacity is 40,000 units, fell to 31.7 percent of capacity.

Production Gradually Reduced

TOFAS, the Turkish automobile factory, manufactured 7,835 cars in 1971; 17,609 in 1972; 24,918 in 1973; 28,839 in 1974; 29,725 in 1975; 25,931 in 1976; 19,212 in 1977; 19,912 in 1978; 21,597 in 1979; 13,300 in 1980; and 12,881 in 1981. From its founding until the end of 1981, a total of 221,759 automobiles were manufactured at TOFAS.

Projected 1981 production at TOFAS was 13,200 units, but this goal was not achieved. TOFAS, which ended 11 months of production in 1981 with 10,294 cars, set a "production record" during the last month of the year with the manufacture of 2,587 automobiles in December. The lowest production for TOFAS occurred in February when 461 units were completed.

Oyak-Renault Overstocked

Although the Oyak-Renault automobile factory has the capacity to build 45,000 cars annually, only 12,700 were manufactured in 1981. The factory produced 1,514 automobiles in 1971; 7,529 in 1972; 14,795 in 1973; 28,035 in 1974; 30,675 in 1975; 30,060 in 1976; 33,668 in 1977; 30,638 in 1978; 19,225 in 1979; 16,604 in 1980; and 12,700 in 1981 for a total of 221,443.

The month of lowest production for the Oyak-Renault factory was March with 325 units, and the month of highest productivity was September with 1,558.

11673

CSO: 4654/120

OBSERVER LOOKS AT DANISH CP LEADER'S TRIP TO MOSCOW

Copenhagen BERLINGSKE TIDENDE in Danish 10 Mar 82 p 13

[Commentary by Solveig Rodsgaard]

[Text] For the first time since he became party chairman, Danish CP chairman Jorgen Jensen is now on an official visit to Moscow. It is 10 years since Danish communists last paid an official visit to the Communist Party of the Soviet Union. And that is the background for a large article in PRAVDA recently on Denmark, the Danes and the Danish CP.

In December 1977 Jorgen Jensen succeeded the renowned Knud Jespersen as party chairman. But he has had a hard time maintaining the party's profile and the last two Folketing elections were lost. These things have led some to interpret the PRAVDA article as a warning to Danish communists. They deny this. And the party newspaper, LAND OG FOLK, published a translation of the entire article yesterday.

Since Jorgen Jensen became chairman of the Danish CP he has made several unofficial visits to the Soviet Union, as well as making a kind of inaugural visit to the East European capitals. But now he has arrived in Moscow as leader of a Danish communist delegation consisting of the members of the executive committee, chief ideologist Ib Norlund, Ingmar Wagner and three central committee members, Betty Frydensbjerg Carlsson, Karl Moller and Harry Bramsen.

During this visit to Moscow, "representatives of the central committees of the two parties will hold definite talks," as party secretary Poul Emanuel put it. "They will inform each other concerning the present situation and may also hold clarifying discussions on special topics."

When the official visit is over, a joint communique will be issued. It is not known precisely when the Danish communists will return home. But it will probably not be before the weekend is over.

Danish CP and the Election

The PRAVDA article was entitled, "In Defense of the Interests of Working People," with the subtitle, "With the Danish Communists." It is written by

PRAVDA foreign correspondent V. Korionov, who deals with the election defeat of the Danish CP in the last third of the article. The article does not say directly that Danish communists have not been in Folketing since the 1979 election. But:

"At a meeting of the Danish CP's central committee in December it was found that the Folketing election had not been a success for the party. As the main reasons for the fiasco, the central committee meeting cited the recently stepped-up anticommunist campaign in the country and the fact that party activists did not succeed during the election campaign in showing the voters the clear difference between the so-called left-wing parties and the vanguard of the working class--the Danish CP.

"Danish CP chairman Jorgen Jensen said at the central committee meeting: 'Communists must display ideological firmness as well as flexibility and a willingness to cooperate and they must insure breadth in their work, whether or not other forces are under the influence of anti-Sovietism and petit bourgeois viewpoints. At the same time we must preserve our own profile and emphasize our own perspectives.'"

Firmness

PRAVDA stated that the problems have not caused the communists to lose heart. On the contrary, they stress with greater firmness than ever that precisely in the situation that has now arisen, activation of the struggle for the interests of working people and for peace and socialism is of the utmost importance. The Danish communists view it as their primary task to make their conduct more convincing and better grounded and to fully utilize the attraction of socialist ideas. At the same time the party is trying to expand its contacts with the movement for peace and international solidarity.

Libel

PRAVDA's reporter reviewed the communists' employment plans, noting that their efforts occur under difficult conditions.

"Reactionary forces resort to any means to weaken the position of the communist party. The press, 90 percent of which is controlled by the middle class and its parties, television and radio are used to a wide extent to plant libels and old wives' tales about the Soviet Union and the other socialist countries and to present communist viewpoints in a very distorted form. This applies to the outcries about the alleged Soviet military threat and the absurdly exaggerated presentation of events in Poland as well as to many other matters."

United States and NATO

PRAVDA states that last summer Denmark was "shaken by powerful popular demonstrations against the plans of American imperialism to turn NATO countries into the Pentagon's missile-launching sites."

It goes on to say that the peace-loving Danes discovered that "they are part of a mighty army that has sprung up to fight to free Europe from the Pentagon's nuclear missiles, which are a two-edged sword. The risky American policy is inspiring realistic people to increase their efforts to defend peace. All this cannot help have some effect on foreign policy issues, even among influential groups in the country."

Despite American propaganda, the antimilitary struggle in Denmark is not losing strength, in PRAVDA's opinion.

"New mass actions against the plans of the trans-Atlantic arsonists are in the works. The movement to set up a Nordic nuclear-free zone is growing steadily. Demands for Denmark to resign from the NATO nuclear planning committee are becoming more persistent. The communists are especially active participants in all this."

Nuclear-Free Zone

During the talks between the leaders of the Danish CP and the Soviet CP in the next few days the peace struggle will also be discussed. This was apparent in LAND OG FOLK yesterday, where Jorgen Jensen was quoted as saying:

"We will also hold concrete discussions on how the fight for peace can be developed. This fight also includes the proposals to declare the Nordic region a zone free of nuclear weapons. We will use the talks with the Soviet CP to establish once again the determination of the Soviet Union to support and respect nuclear-free zones."

6578

CSO: 3106/79

OLESEN DEFENDS ECONOMIC SANCTIONS OVER POLISH SITUATION

Copenhagen BERLINGSKE TIDENDE in Danish 10 Mar 82 p 7

[Article by Dan Axel]

[Text] Danish imports of Russian canned salmon, upright pianos, ball bearings, polyethylene and tractors will be cut down after the government decided yesterday--following a very long period of deliberation--to accept an EC ministerial council decision concerning import sanctions against the Soviet Union in light of the intensified Polish crisis.

The sanctions will mean that in 1982 Denmark will import about 15 million kroner less from the Soviet Union than it had planned. Last year our imports were worth 2 billion kroner.

The Folketing Market Committee decided yesterday to follow the other EC countries in a policy of joint sanctions. Foreign Minister Kjeld Olesen sent a letter immediately following the Market Committee meeting to the chairman of the EC Council of Ministers, Leo Tindemans, in which he stressed that the Danish decision to go along was due solely to political considerations.

Limited Scope

"This occurred on the basis of the limited scope of the measures and in order not to create problems in the EC cooperation that are out of proportion to the extent of the issue," said Kjeld Olesen who added that Denmark would block an EC resolution if there continued to be reservations.

SF [Socialist People's Party] member Holger K. Nielsen, who joined FRP [Progressive Party] in opposing Denmark's decision, said yesterday that the sanctions against the Soviet Union are "politically foolish.

"It will have no effect that we quit buying from the Soviet Union. The worst part is that it will have politically symbolic significance. It makes it look as if Denmark is escalating in the direction of cold war conditions," said Holger K. Nielsen.

The sanctions will not mean much. Imports of polyethylene, which is used to manufacture plastic, will be the hardest hit. But the sanctions will mean a decline in imports of less than 1 percent, according to the Foreign Ministry.

The Danish government's proposal follows exactly the list of import sanctions the other EC countries will follow. Therefore it also includes goods Denmark has never bought from the Soviet Union, such as diamonds. The sanctions will apply only in 1982.

6578

CSO: 3106/79

HENNING GOTTLIEB, COUNTRY'S ONLY PERMANENT SECURITY ADVISER, PROFILED

Copenhagen BERLINGSKE TIDENDE in Danish 7 Mar 82 Sec II p 1

[Article by Per B. Andersen]

[Text] Henning Gottlieb is unknown to the general public but he is Denmark's only permanent "adviser on security and defense issues" for whichever prime minister is in office at any given time. So far he has given his advice to four government leaders.

Henning Gottlieb, a commissioner in the prime minister's department, 56 years old this month, is unknown to the general public. It is part of his job, the only one of its kind in this country: Gottlieb, a section chief without a section and receiving a salary in the 300,000 kroner range, is the adviser to the prime minister at any given time on security and defense issues.

So far, four prime ministers spanning six government periods--Krag, Baunsgaard, Hartling and Jorgensen--have always asked for Henning Gottlieb's background orientation and advice when they had to speak out on Denmark's security, defense and international affairs. Or almost always. When Anker Jorgensen caused a stir recently in both East and West with his comparisons of Poland, Turkey and El Salvador, well-informed sources said Gottlieb was away just then.

When the question was put to him in his lovely big office with no ashtrays at Christiansborg, he responded simply by shrugging his shoulders and smiling broadly. There is so much else we can talk about, even though this is the first time the commissioner has allowed himself to be interviewed for a profile. He said:

"My work goes on in the background, that is the way it should be and that is the way it is. When journalists crowd around the prime minister and the photographers start snapping away, I step a little to one side. My job is to loyally inform, evaluate and present my opinion to the prime minister."



Henning Gottlieb, commissioner in the prime minister's department and adviser on security and defense issues, at his desk: "I am not an incorrigible optimist." (Photo: Svend Aage Mortensen)

Briefcase

Over and over again, the word "loyal" turns up in the description of Henning Gottlieb by those around him. He is regarded as a government official of the old school. Discreet. His language and protocol are proper at all times. He is also amiable without being trivial and he has a dry sense of humor and a refreshing irony about himself. One of Gottlieb's colleagues:

"I do not know what his personal political persuasion is, but even if he was way to the right of the Sun King, it would never influence the 100-percent loyal advice he would give a Danish prime minister of any party."

Another said: "Henning Gottlieb's briefcase containing the day's papers is not made of aluminum but of oldfashioned worn leather. On his many trips, he takes along a blue blazer and gray trousers, a 'nice navy blue' suit, a stack of white shirts and some awful ties. He travels so much that he easily gets tired of it and a blazing tropical sun is not what he lies. One night in Africa he was a lovely sight in the navy-blue suit, half-moon glasses and a checkered Sherlock Holmes hat. A truly entertaining man--especially to talk to."

Studies

Henning (middle name, Vincent) Gottlieb is a druggist's son from Copenhagen, who received his secondary diploma in Haderslev in 1944 and studied comparative literature for 2 years. Changed his major--partly for job reasons--to political science and received a degree in that field. Performed his military service after the occupation in the Hussar Guards among the newly-arrived tanks in Naestved, but drove a jeep himself. He is married to political scientist Kate Galle, office chief in the Industrial Affairs Ministry, and they have a grown son and daughter. They live on a street off Godthabsvej in Frederiksberg.

His career went from the Ministry of Finance (tax division) to the Ministry of Foreign Affairs, where Gottlieb worked on bilateral trade negotiations and later on agricultural problems. Later, he wrote his own books and translated others, including J. K. Galbraith's "The Affluent Society"--in 1962. Before that, 2 years in the Economic Secretariat, back to the Foreign Ministry and the unsuccessful preparations for EC, a 10-month hop, "out of disappointment," to the Cultural Affairs Ministry (under Bomholt)--"We held each other in esteem"--and then to the political secretariat of the Foreign Ministry in 1964. A somewhat varied work area which provided a broad base of experience.

Gottlieb: "When J. O. Krag turned the prime minister's department into a 'secretariat for the government' in 1965, I was brought here with an eye to my present position which had not existed before and which was built up gradually."

The Man

Section chief Gottlieb has an office manager and a secretary--but no section. His position is that of "commissioner" and he must carry out his job by having the best grasp possible of opinions and conditions in countries both east and west of the Iron and Bamboo Curtains.

This knowledge is acquired in many ways. Henning Gottlieb has unrestricted access to top priority secret documents. He is a member of the International Institute for Strategic Studies in London and the Pugwash movement which is made up of scientists--originally nuclear arms experts--and goes across national and political boundaries.

And not least he is chairman of the Security Policy Contact Group, which normally meets once a month in the offices of the prime minister and consists of top-level public officials from the prime minister's department and the Foreign, Defense and Justice Ministries in addition to the two intelligence services. It is no surprise that last year's developments in Poland have had a permanent place on the agenda. Incidentally, Henning Gottlieb's evaluations are also used for Queen Margrethe's New Year's speech. He says:

"I also travel in eastern countries. A growing number of people all around the world are finding it useful to exchange viewpoints."

Henning Gottlieb's work is "very little externally-oriented and seldom operational, but I do have my own personal ideas. I am not a pessimist--but I am not an incorrigible optimist either."

His Dog

Denmark's only adviser of his kind would probably not dispute this evaluation: He knows the United States and the Americans well and does not believe they could run amok. But he is waiting anxiously to see if the Soviet Union can steer a safe passage through the very necessary reform process in the last empire in the world.

Henning Gottlieb is on formal terms with everyone in the department--"with the exception of the prime minister." The two usually evaluate viewpoints after they have been presented. Was the reaction what we expected? What we wanted?

In the evening, Gottlieb takes a walk with his dog along the suburban streets. He relaxes totally--and "I leave the decisions that must be made during these minutes to the dog."

6578

CSO: 3106/83

CENTER-DEMOCRATS ACT TO RETAIN IMPETUS FROM ELECTION GAIN

Copenhagen BERLINGSKE TIDENDE in Danish 7 Mar 82 Sec II p 2

[Article by Solveig Rodsgaard]

[Text] Erhard Jacobsen is scouring the country in search of nonsocialist voters. A short time ago he reached Horslunde, where Solveig Rodsgaard heard him speak.

The Center-Democrats--a new nonsocialist center. That is the CD [Center-Democratic Party] view of the political possibilities following the surprising election victory in December and their optimism has been given support by the opinion polls showing the party has widespread popularity among a good portion of nonsocialist Denmark.

CD's driving force in the effort to get a nonsocialist group together is--of course--Erhard Jacobsen. In these months he is traveling around Denmark in search of nonsocialist voters, with an eye primarily on middle-class Social Democrats. If they can be brought in, the nonsocialist coalition could have a majority, in Erhard Jacobsen's opinion.

"And if there is anyone middle class in this country, it is the many Social Democratic workers' families. The ones who want their children to learn something in school, who keep their nails clean and their hair neat," as Erhard Jacobsen puts it.

The Jacobsen formula for finding voters who tend toward the nonsocialist side is a lecture tour during which, with his well-known inspirational style, he comes in close contact with people who are interested in politics. Since the beginning of the year he has been able to get to only five meetings, due in part to his time-consuming EC work. But by the end of April there will have been another 10 meetings, including a sermon at Soro Church. Most of the meetings are being arranged by CD, the rest by Active Listeners and Viewers. But the theme is the same:

"The old middle class has been unable to get a majority in this country. But we can create a big nonsocialist majority if we can manage to attract a

sizable number of the many middle-class Social Democratic voters to our side," as Erhard Jacobsen says.

When the meetings are held in the right place there are often several hundred participants who are held spell-bound for a couple of hours by Erhard Jacobsen's extemporaneous presentation of political problems. But he does not despise smaller audiences either.

Meetings and Dinner

Thus in Horslunde, 11 km from the "red town" of Nakskov, an Erhard Jacobsen in top form met with 42 interested people. In Horslunde, incidentally, Erhard Jacobsen killed two flies with one political blow. His meeting was scheduled for the meeting hall of Den Gamle Mollegaard. But in the other end of the inn the Rotary Club was holding a dinner meeting and by mistake Erhard Jacobsen first made his entrance among the Rotarians who promptly saw their chance to get hold of a popular introductory speaker. Jacobsen agreed to give a 3-minute speech if the Rotary Club would provide dinner. Prime ribs and a glass of red wine were being served while Erhard Jacobsen had to add his signature to the inn's guest book. The political speech to the Rotarians meant a 5-minute delay for the CD meeting. But to make up for it, a few Rotarians who apparently did not get enough of Jacobsen in his first 3 minutes turned up for more in the meeting hall.

Formula

A political speech lasting half an hour. Then a question-and-answer period. That is the formula of Erhard Jacobsen's tour in search of nonsocialist voters. The political speech is a deliberate mixture of economics and "attitudes." At the same time a little pamphlet is handed out, asking people to join CD and mentioning some of the things CD supports:

"A strengthening of middle-class virtues: respect for the opinions and property of others, respect for the jobs one takes on. An elementary school system where they learn the basics that enable them to learn more. A comprehensive balance on Danish Radio and TV. Removal of all taxes on housing. A reduction of auto registration taxes. Deductions up to 15,000 kroner for maintenance and insulation work on real property. Preservation of the social safety net. A strengthening of EC and NATO. Rejection of OD [Economic Democracy] and changes in interest deduction provisions. Realistic savings in the public sector--and rejection of 'chrome-plated total plans' that promise everything and contain nothing. Yes to cooperation in politics. A CD person tries to influence current policy in order to turn developments in the right direction."

EC and Savings

The starting point for Erhard Jacobsen's speech is EC, which no one can doubt is an issue dear to his heart. Via EC he arrives at more domestic political conditions and the economy.

"Thanks to our enormous wastefulness--something I have taken part in myself as mayor--we do not have the social tensions in this country that they have in many other countries. Think of the torching of buildings in England. Think of it when someone says that it is wrong to give an unemployed person the same amount of money as he would get if he were working. Think of it when people talk about cutting compensation by 5 billion kroner. That provides less for spending and less in taxes. It would boost unemployment even further. No, social conditions will make it impossible to create a jobless movement leading to such things as slum riots. In spite of all the efforts made by Danish Radio, only 13- and 14-year olds behave like that in Copenhagen. It is nonsense to talk about a revolution in Denmark. Every Dane is 14 kg overweight. We have bought ourselves out of a revolution in Denmark. We should not underestimate that. Many countries envy us."

Erhard Jacobsen gets to savings: "CD also supports savings. We have to get hold of ourselves. But one should not present it as if this were a happy situation for our citizens. To save is to take something away from people. And no matter how much we save, it will not solve Denmark's major problem, namely the large loans abroad."

Then comes the election and the plans of the parties: "People believes in us, not in those who promised to save the country with a plan. These plans came out of a clear sky. None of them will ever be brought up in Folketing. Even if the Social Democrats say otherwise, only small details of their plan will be brought up. There is no reality in either the S [Social Democratic] plan or the V-K [Liberal-Conservative] plan."

Nonsocialists

Then Erhard Jacobsen winds up his speech: "CD--a new nonsocialist center. We have a new nonsocialist center and we can become the center for this new middle-class grouping. The old one could not get a majority in this country. Partly because the Radical Liberals lie to the left of SF [Socialist People's Party] on many cultural issues and cannot get along with the Liberals and Conservatives on economic policy.

"We can get a big nonsocialist majority if we can win over a sizable number of the many middle-class Social Democratic voters. And if there is anyone who is middle class in this country, it is the many Social Democratic workers' families. The ones who want their children to learn something in school, who keep their nails clean and their hair neat. We received a considerable number of Social Democratic votes in the election. I hope that more and more will understand this. We stand for a private capitalistic system of society. We also dare to say that we stand for social order. Therefore we must try to make the Liberals and Conservatives understand that the arch-enemy is not Social Democracy. It is the Danish CP and the left wing. The Social Democrats and the labor movement make up a solid bulwark against the Danish CP. And 75 percent of the Social Democratic voters favor the same ideas supported by nonsocialist voters."

Questions and Answers

The questions from some of the 42 people in the Horslunde audience concerned EC, index loans, municipal spending in the social sector, natural gas, "the ridiculous 11-hour rule," inflation, popularly-elected representatives, the Education Act, Erhard Jacobsen as chairman of the Radio Council in the unborn four-leaf-clover coalition government, the vocational training system and the apprenticeship system, the capital gains tax, savings, Christiania-- and Erhard Jacobsen's view of "Dallas."

"It is correct that I was mentioned as chairman of the Radio Council under the four-leaf-clover government and I think that was a good idea. It was my own, you know. And among other things I would have seen to it that negotiations on the Radio Council turned out differently.

"Yes, it is also correct that the four parties agreed that Mimi should be minister of education. It is obvious that in the 2 years the government might reasonably have lasted we would not have had time to write a new Basic Education Act. But we could have appointed a whole team of educators who could have written a draft leading to the implementation of a new law later on."

On popularly-elected representatives: "If they are stupid and slow-witted, who are the unintelligent people who elected them? All our elections are wasted. All the dolts, those who are buttering their own bread and think only of themselves, get elected. All the smart people are left sitting in the inns and bars of the country. It is your own fault, for goodness sake, if you put the wrong people on municipal councils, on county councils and in Folketing."

Party

Erhard Jacobsen's meeting in Horslunde lasted 2 1/2 hours. But after the meeting was officially over, many flocked around him, so the debate continued on a somewhat more private basis.

Then Erhard Jacobsen could ride back to Gladsaxe in solitary splendor and speculate over the next meeting to gather in the Social Democrats. Right now CD has its 15 seats in Folketing. But the party has only 1925 members.

6578

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HAMBURG CDU EMPHASIZES NEED FOR CHANGE

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 26 Feb 82 p 4

[Text] Hamburg, 25 Feb--At its party conference tomorrow, Saturday, the CDU opposition in Hamburg will reveal for the first time the slogan with which it plans to contest the campaign for the parliamentary elections on 6 July: "Hamburg needs the change--Hamburg needs Kiep." With this motto, according to Land Chairman Echternach, the CDU wants to focus attention not just on the mayoral candidate but mainly on the swing away from "25 years of blatant misrule by the Social Democrats," a swing which broad segments of the population supposedly deem necessary. On Thursday Echternach pointed to new examples of this "equating of the ruling party and the state." Half-way through the most heated phase of the election in mid-May, the city hall market, which was remodelled at great expense at the urging of former SPD mayor Kose, is to be dedicated with a "spectacular celebration" which has been declared a popular holiday. Also in May, state visits to the Hansa city will probably increase in frequency, "quite coincidentally" in Echternach's ironic words. It is likely that Chancellor Schmidt will receive the Spanish king and Italian President Pertini, as well as French President Mitterrand. The CDU chairman in Hamburg called it a "bad business" that the chancellor "was coincidentally steering all" these guests of state "to Hamburg," probably without their being fully aware of this "close involvement between state and party interests."

Passage of the election platform is the main item of business of the Hamburg party conferences--to the accompaniment of signs that are new for this party. When the draft of the platform was presented in November, the Land committee had invited not only CDU members in Hamburg, but every citizen to discuss the platform. The success of this first-ever attempt "to seek a dialogue with the voter before the election" was overwhelming. Next Saturday the barely 300 delegates have to deal with a total of 898 proposed changes, of which 719 come from the party but 179 of which are from groups and individual petitioners outside the party organization. For the first time the Hamburg CDU had to set up a proposal commission to channel this flood of paper in advance of the Land party convention. The planned introduction of the plebiscite and the referendum into the Hamburg constitution will probably be the focal point of the convention debates about the election platform. The

platform draft states that, by this means, citizens must be granted the power to effect the dissolution of Parliament and the setting of new elections, even during a current legislative term." This demand does not go far enough for many of those who submitted proposals. They want the opportunity, guaranteed by a constitutional change, to be able to influence concrete decisions through an appropriate referendum. The numerous petitions for change on just this point reveal a clear, but strongly polarized, interest in the introduction or the rejection of the instrument of the plebiscite for voter participation.

The Hamburg CDU platform also puts the "liberal renewal" of Hamburg ahead of all other statements, as expressed by mayoral candidate Kiep and as far as can be determined from the much discussed draft. The constitution is to be restored by returning to political methods of making decisions, independently of party conventions. Another major point is safeguarding and increasing the number of jobs, not least through a suitable energy policy. A great deal of space in the platform is also devoted to putting the state on a sound financial footing, "restoring peace in the schools" (slogan: "Let the young generation learn what it will need in life") and, in the area of environmental protection, a program to clean up the Elbe and the Alster, which is not the prerogative of the present opposition. The hardest-hitting campaign statement is probably the CDU's demand for a rejection of the "calcified power structures" resulting from decades of rule by the Social Democrats in Hamburg city hall, a call for change which the campaign slogan links with an appeal to a feeling of disquiet that the CDU thinks is affecting broad segments of the population in Hamburg. For the moment, the uncertainty factor in this calculation remains the voters' reaction to Mayor Dohnanyi's rival candidate Kiep. At the Land party convention the CDU mayoral candidate will open the platform discussion with a report. The entire Land committee will be newly elected on a rotating basis.

9581

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PROBLEMS SEEN DEVELOPING IN NORTH RHINE-WESTPHALIA SPD

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 26 Feb 82 p 4

/Article by Helmut Breuer: "The Isle of the Damned"/

/Text/ At last weekend's carnival festivities, of all times, North Rhine-Westphalian Minister President Johannes Rau had a message circulated, addressed not to his celebrating compatriots but to their neighbors in Lower Saxony. The Social Democrat ruler on the Rhine and the Ruhr, governing with an absolute majority, campaigned for tax increases and chided his CDU colleagues in Hanover for, together with the Union in the Bundesrat, conducting a blockade directed against the interests of the working people.

The gist of the message was not news to Albrecht or his party followers. Two weeks before, using phrases that gave the impression of having been concerted, Federal Chancellor Schmidt, SPD Chairman Brandt and Rau had initiated a new attack on the Union. They accused it, by its refusal to raise the value-added tax, to allegedly have brought to nought the Federal Government's strenuous efforts to institute an employment program, thereby increasing unemployment. Observers at the two district party congresses in western Westphalia and Lower Rhine, where the new direction of SPD propaganda was unveiled, were reminded of April 1980 when, 2 months before the provincial assembly election in North Rhine-Westphalia, the SPD launched its successful "war or peace" campaign.

Since those days Rau and his party circulate in this, the most densely populated federal Land, the song of songs of the solid and reasonable comrades on the Ruhr, who kept faith with their beloved chancellor in good as well as bad times. This refrain, given the proper folksy notes, turned out to be a long lasting hit. It made Rau a universally admired miracle worker and earned the largest SPD Land federation the reputation of having created a stronghold proof against any political foe. North Rhine-Westphalia turned into the SPD "isle of the blessed," where no internal dissensions darkened the heroic image of the ruling party. Still, some critics did point to the latent tension among the social democrat rank and file as well as the loss of members. And of course it was impossible to conceal from observant contemporaries the galloping consumption of the Duesseldorf treasury as well as the sweeping increase in unemployment (and not only in the Ruhr district). However, they did not find ready listeners and were drowned out by diligent praise singers.

Admittedly, no more success was scored at the party congress of the four North Rhine-Westphalia districts by the adroit political staging that had managed for a long time to conceal the real image of the SPD. When the Mid-Rhine district enacted support for the "moratorium" that would make arms modernization dependent on negotiations with the Soviets and therefore directly contradicted Schmidt's defense concept, this was taken to be no more than a momentary aberration. The alarm bells sounded only when Willy Brandt was unable to prevent a similarly fatal policy correction in the largest and usually conservative Western Westphalia SPD district, traditionally considered the "chancellor's old guard."

Almost at the same time the third largest SPD district, Lower Rhine, decided by a large majority against Schmidt and the NATO concept and for an unconditional moratorium. The culmination of this development--obviously unexpected in Bonn--was the drum roll at the party congress of the East Westphalian district. There leftists like Bundestag deputy Klaus Thuesing assumed command and made sure that the entire Western defense concept was voted down.

Even worse than these "slight depressions" (in the dismissive words of Lower Rhine SPD district chairman Baeumer) is the broad-based criticism of the Federal Government's employment program, which has surfaced in all North-Rhine Westphalian SPD strongholds. A storm of protests about tax increases and rising rents has hit the Western Westphalia district. On the Lower Rhine Schmidt was forced to listen to severe criticism from right and left party followers, a criticism joined in by Duesseldorf's labor minister Farthmann. In Eastern Westphalia the comrades even voted for a complete departure from the capitalist economic system because, they alleged, the market economy was alone responsible for all evils. Given this kind of sounding board, the offensive for a "common initiative for jobs, growth and quality" (the high-sounding description by masters of semantics in SPD headquarters for the weak employment program) ran out of steam soon after it was launched.

While Schmidt could rejoice that early morning fog in Hamburg prevented him from visiting the East Westphalian base of his party, Johannes Rau was sitting on a pile of potsherds. If the 124 North Rhine-Westphalian delegates to the SPD Federal Party Congress in Munich, elected at the district congresses, take seriously the resolutions adopted by their committees, they are bound in the majority to vote against the defense line of their chancellor.

Quite definitely reality has overtaken the mirage of the obedient comrades in North Rhine-Westphalia. The largest SPD Land federation on the Rhine and the Ruhr is no better off now than other Land federations. Even on the alleged "island of the blessed" Social Democrats are now presented with the consequence of having, in the 1970's, used almost every means at their disposal to defend their rule. Popular front alliances, ranging deep into the communist spectrum, fraternal relations with intellectual will-o'-the-wisps and even surreptitious appeals to the "street" went hand in hand with the necessary integration of critical youth. Not for nothing was Klaus Thuesing promoted to the district executive, while an experienced Social Democrat like Elfriede Eilers was made to stand down.

ECONOMICS SEEN LEADING PAPANDREOU TO POLICY CHANGES

Athens I KATHIMERINI in Greek 21-22 Feb 82 p 1

[Article by N. Nikolaou: "Papandreou Considers New Opening to the Center"]

[Text] The center of gravity of the anticipated government reshuffle (projected for after the Easter holidays) will fall on the economic sector where, as reported, the changes will be very broad and impressive and will have an extremely significant effect since they constitute the beginning of a radical turn of the economic policy toward more realistic targets and aspirations. This is the impression of reliable economic circles who base it on the premier's intentions which are already becoming visible in his reactions to contacts with his close collaborators as well as in the hints he is making during meetings of government agencies such as the Government Economic Policy Council /KYSOP/. Indeed, what is absolutely certain is that Andreas Papandreou is deeply concerned about the economy's course and his problem now is how to retract a policy to which he is already committed.

The repeated enthusiastic declarations of this policy have developed polarized situations and fanaticized party cliques which the premier is not ready to confront at this time. It is not only the parties of the traditional left which indeed press the government to implement its socialistic program but mainly the fractions of PASOK's party machinery where the dominating ideology is a romantic old Marxism of 1940 which proposes as a permanent prescription for all hardships...the socializations and the assumption by the state of investment activities in conjunction of course with the "spice" from seizing the profits of the multinationals.

The strong concern of the premier (who naturally does not share the enthusiasm of the unsuspecting cadres) on the course of the economy is primarily based on the discouraging conclusions he himself has effortlessly reached that:

- a. The psychological climate has been deeply shaken and the escape of capital is continuing in a massive way.
- b. The inactivity both in investments and in consumption is the rule in the economy today.

It is said that Papandreou has concluded that to a large extent this general mistrust has resulted from the lack of skill or inexperience of his ministers who, being hardened ideologically and dogmatically, have adopted measures, promoted slogans or defined a policy which put to panic all sectors of economic activity.

Mavros at Kastri

The problem Papandreou is facing now is how to put in his government cadres who inspire confidence in the market and especially in the investors whose reactivation alone can bring the much desired revival in the economy (otherwise, unemployment, inflation and foreign deficits will beset the economy and the people for years to come). It is persistently said that Papandreou is looking for such cadres in the area of the Center and particularly in that section of the area which cooperated with him in the 18 October elections. Already the names of persons who in the past have had little experience in responsible positions are mentioned. It is reported at the same time that many persons in banks and public organizations will be replaced because of their inactivity and responsibility phobias.

The Leftist Reactions

But this opening toward the conservative personages of the Center will create multiple problems (some of them may have been discussed during Mavros' visit in Kastri [the premier's residence] where he held long talks with the premier) which are being studied very prudently. Specifically:

1. The recourse to central cadres does not represent a simple replacement of persons but mostly a change of special political significance. In reality it will mean abandonment of the government's intentions for immediate socialistic transformations.

The government itself does not have ideological objections to such a turn which it feels it can defend propagandistically (already Lenin's example is invoked who in 1922 made a turn to the right, the so-called New Economic Policy). However, it cannot ignore the fundamental reactions from both communist parties which will abandon it [the government] for betrayal. But [the government cannot also ignore] the PASOK interparty controversies.

The government copes with the reaction of PASOK's cadres (especially of the syndicalists who insist on the implementation of promises for large increases) by finding recourse to foreign outstanding specialists also. It is not an accident that the American Nobel economist Klein, whom Papandreou had invited here, broadcast the singular message to the Greek people that the revival [of the economy] assumes keeping in check salaries and wages.

2. The participation of centrists may weaken the government's cohesion. This danger of course is not particularly great since the whole economic sector will be headed by Professor Ap. Lazaris (as minister of national economy after the Easter holidays) who enjoys Papandreou's absolute confidence since the premier appreciates the fact that Lazaris alone has until now assumed the whole burden of creating a climate of confidence and who is the only acceptable official to all classes and organizations.

The Premier's Problems

But to the problem the premier faces, whether, that is, to attempt the opening to the Center [for cooperation] two additional factors intercede:

a. The declared willingness of the productive classes to cooperate sincerely with the government and to assist it in its task under the condition of course that a clear policy will be charted whose aim will be the development of the economy.

The leaderships of the organizations of the productive classes are known for their experience and understand that the only realistic possibility for the country today is for the present government to succeed. It is therefore in the interest of all to chart a successful economic policy because--as it is pointed out--if PASOK fails, not only the economy will be endangered but the very parliamentary and democratic system of government will also be threatened. Because one would be naive to believe that those displeased with PASOK, the unemployed whose number increases daily, will return to ND especially under the present picture reflected by the major opposition.

b. The support of the EEC countries which do not cease advising Papandreou to formulate such realistic economic policy which alone will allow him (as long as he maintains a strong internal front) to implement the multidimensional foreign policy he desires.

This EEC assessment is of particular importance in a period during which Greece is anxiously seeking capital for investments and for state borrowing. And Papandreou knows very well that neither Sadam Hussein nor Qaddafi, who are themselves looking for loans, will give him the capital he needs.

7520

CSC: 4621/225

KKE SEEN ATTEMPTING TO BENEFIT FROM PASOK POST-ELECTION CHANGES

Athens I KATHIMERINI in Greek 21-22 Feb 82 p 4

[Article by Khr. Karanikas: "The Government's First Fight Is With KKE"]

[Text] In essence, the government is having its first political fight with KKE which is continuously trying to take advantage of any PASOK action appearing as a retreat from its preelectoral positions of the traditional left in order to gain ground. KKE concentrates its fireworks particularly in support of claims from all sides in order thus to appear as the only real agent of the demands advanced by various popular strata and to expose PASOK as having abandoned its principles. On the ND side, criticism is still kept low key maybe because it is difficult to present persuasive arguments against a party which has been in power just about 4 months and attribute to it the greater part of the responsibility for today's crisis.

The communist party appears sufficiently organized in its attacks against the government but is also maintaining in most cases an officially soft phraseology. The fire of its attack is channeled mainly in three directions: to the claim of every contented demand, to the municipal elections of next fall and to the foreign policy. The language used by Papandreou and PASOK in general during the campaign considerably favors KKE's polemics. From 1974 until the eve of the elections PASOK appeared as the party of the traditional left with its positions about socializations, about the "hunger" of the farmers, about the nonprivileged poor, and the country's political orientation toward the third world. The differentiations in the tone of the positions Papandreou has given many times--sufficiently important as to rescind most of these positions--have not always reached the simple followers of PASOK. They did not even reach the party's cadres who had been nourished in the anti-right policy and the "democratic" coalescence from the Center as far as KKE.

From a tactical point of view KKE is now in a relatively advantageous position vis-a-vis PASOK. The problems the government faces are many and are increasing constantly because of its unwillingness to deal sincerely with the people. Perhaps because PASOK's chairman will be under obligation not only to alter many of his preelectoral positions, but also to make a clear distinction between PASOK and the traditional left. But the longer this confusion lasts the more KKE will try to promote its positions at PASOK's expense. The clear distinction between the movement of protest, which PASOK represented before the elections, and

the present government must necessarily face a confrontation between the government and KKE--a confrontation which will define the tone of our political life in the forthcoming months.

To many people KKE with its sloganeering appears as the true pursuer of the pre-election protest movement of the "democratic" coalescence. All those who are hurt by the various government measures, many of which are necessary and positive, find an easy and convenient protection in the KKE protests. The existing confusion becomes broader because of the views and the positions of many, if not of most, PASOK cadres. As long ago as 3 months PASOK cooperated sufficiently well with the communist cadres almost in every sector. Suddenly they find that they must separate their positions without, however, having acquired a new political conception. Using the language of the traditional left, KKE appears to be right compared to PASOK and for this reason the branch and other cadres of the majority are wavering sufficiently or at least do not follow the government positions with the same zeal they followed Papandreou as the leader of the [then] major opposition.

In his speech at the Sporting [Ballpark] Papandreou tried to define the limits between PASOK and the traditional left saying that his party will follow the third road to socialism. As a theoretical conception and as an overall approach, this position constitutes a sound positive step for PASOK. But there is doubt if this can be a weapon of political polemic for the governing party when as government--as is the case with every government--is almost always on the defensive and for this reason it has to follow rational positions which are not only necessary for fighting KKE but also for preserving the PASOK identity. It appears, however, that the premier is reluctant to proceed with the separation of PASOK's conception from the traditional left or perhaps he is waiting to do so later and possibly before fall arrives [and municipal elections].

The political limits in the Center and left of it remain confused with direct and indirect consequences to the country's political life. Most of PASOK voters and undoubtedly all those who show toleration toward Papandreou--a positive tolerance at first but negative now--would like to see clear boundaries separating the traditional left from the government front. For the development of the country's political life, the definition of such policy would have the same impact as that which the separation the present President of the Republic Karamanlis defined in 1974 between the extreme right and the conservative front. Even Averof, who appeared as the spokesman of the right wing in the New Democracy Party, is also following the conservative policy from the time he became the party's leader.

The Differentiation

As urgent as was the demand to separate the conservative front from the extreme right immediately after the restoration of democracy [in 1974], so is the other separation necessary now. Of course, superficially it does not appear as vehement today since in 1974 the extreme right was directly responsible for the dictatorship. But the daring and the political acuity of the present president of the republic contributed to the consolidation of the democratic state by isolating the extreme right. On the other hand, the confusion between PASOK and

KKE positions cannot continue without a direct impact on the governing party and the country's political life. The responsibility for the separation of PASOK from the traditional left falls wholly and only on Papandreou both as premier and as a leader of the central-leftist party.

Greece is the only country in Europe which does not place theoretically and politically definite boundaries between the traditional left and the left under its present meaning. From this point of view it approaches the third world countries. But this elucidation of the meaning of the left would necessarily put KKE outside its limits and near the extreme right since under today's meaning of the left there is no place for the explanations and practices of the democratic centralization of the dictatorship of the proletariat, etc., as well as for the totalitarian ideologies from Moscow. Thus Papandreou could not only define the area within which his party would move--somewhere in the centrist-leftist area--but would open the doors for the appearance of the true leftist forces in our country, something which is imperative for the balanced progress of the political life. These forces would constitute the temporary beachhead between PASOK and KKE until the latter moves to its final position.

The present meaning of the left is directly connected with a life quality other than the one cultivated in our country by capitalism and the communist movement. Today, moreover, the communist movement includes only all those consumerism elements and quantitative conceptions which undoubtedly constitute one reactionary form in our era. Moreover, KKE's attack against PASOK stems from these consumer positions in the economic and syndicalist sectors. In the Greek General Confederation of Labor [GSEE] the communist opposition appears harder in its positions than its old leadership. Two days ago a few hundred pensioners marched through the streets of Athens with the slogan "we are hungry" which was headlined by [the KKE publication] RIZOSPASTIS. True, the pensioners do face many problems but not hunger. The slogan reminds one of the decade of the 30's [depression] and the occupation. But KKE insists on attaching the political life to these eras in order to better effect displeasure against the government.

Murky Waters

The fact is that the government has been unable or unwilling to overcome the quantitative notion of life and consumerism which it championed before the elections. Its differentiation with the traditional left has taken place only in the field of foreign policy through its positions in EEC and the qualitative notion of life now spreading in the European left. The government appears as if it is apologizing to the traditional left. This perhaps explains its position on the Polish question with its so many differences compared to those of other European countries. The Polish question is a matter which touches the sensitivity of the Greek people more than any other and could constitute the government's key point in assuming its attack against KKE.

Because it lost, even though not decisively, since it still has the opportunity to use the Polish question if it wants, the government is on the defensive as concerns other matters vis-a-vis KKE. Thus, what concerns the government now is what to do in the municipal elections. The election of a communist mayor in

Salonica a few days ago has increased further its concern. These elections will take place in the fall at a time when the period of toleration will have ended, the problems will have been accentuated and the displeasure against the government will have increased sufficiently. Naturally, PASOK's hope lies in the split between ND and KKE. But there is the tradition of the Greeks voting for the opposition's candidates in the municipal elections. Everyone will consider the municipal elections as a barometer of the government's popularity and for this reason all parties will do their best to win them. In any case, it is said that the government is getting ready to use the municipal elections in its attack against KKE.

The municipal elections are preceded by the student elections next month and it seems that PASOK has abandoned all hope of winning them. The students' interest in the political parties appears smaller this year than ever since the post-dictatorial period and for this reason it is expected that KKE will win these elections since it has the best organized base and directs its campaign to the conservative conscience of the students. The students appear not to know whom to choose and when the government isolates them within the molds of the traditional left, they prefer to remain aloof.

The waters of our political life remain murky and as long as they stay that way the traditional left has the upper hand more than any other political party. In such waters, KKE is favored over PASOK which before the elections was closer to it than any other political force. KKE-Int., which had the possibility of interceding between the two forces, has been alienated from such role. It preferred to act negatively, to stress its differences with KKE and not what it itself represents, forgetting that politics represents an active presence and not a negative inactivity-action and activity which derive from our country and do not come from schools in Paris or in other European countries.

7520

CSO: 4621/225

BRIEFS

NO CHANGE IN MUNICIPAL ELECTION--According to reports, the majority election system will apply during the next municipal elections. Even though the Ministry of Interior--as Minister G. Gennimatas said--is waiting for the proposals of the Central Union of Municipalities and Communities of Greece in order to decide on the electoral legislation which will be in force, there are reports that even if these proposals are delayed the ministry will proceed with changes in the election law in accordance with its views. At any rate, these changes will not be institutional nor will they affect the overall electoral process and the existing system which will be the majority one again. It appears that the Interior Ministry will maintain this position after considering the matter with purely party criteria since it expects that it will prevail in the large municipalities--something it could not expect with the implementation of a new electoral legislation--the proportional system--in municipal and communal elections. At the same time, following the increased jurisdictions the newly enacted law gave to the nomarchy councils, the government would not like to see strong opposition tendencies in these councils by the representatives of the local self-governments. [Excerpt] [Athens I KATHIMERINI in Greece 21-22 Feb 82 p 47 7520

KKE-INT.-LIBYA AGREEMENT--Muhammad al-Gamun, secretary of the People's Office of the Libyan Jamahiriya, visited the KKE-Int. headquarters yesterday where he met with comrade B. Drakopoulos, secretary of the Central Committee, and comrades Trikkas, member of the Central Committee, and N. Vouvelis [of the office] of International Relations. The Libyan official conveyed to KKE-Int. his country's assessment of the situation in the Middle East and the Mediterranean in light of the U.S. provocative actions against Libya. Drakopoulos assured the Libyan official of KKE-Int.'s genuine support of the Arab progressive forces and of the party's continuous struggle against any foreign military presence in the area. The two sides agreed that it is necessary to strengthen the already friendly relations between KKE-Int. and the Libyan Jamahiriya. [Text] [Athens I AVGI in Greek 20 Feb 82 p 17 7520

CSO: 4621/225

POLITICAL

ITALY

BRIEFS

PCI-PLO TALKS--Rome--On Thursday [18 March] PCI Secretary General Comrade Enrico Berlinguer received PLO Political Department chief Comrade Faruq Qaddumi. The lengthy and cordial conversation was attended by PCI directorate member and International Affairs Department chief Comrade Gian Carlo Pajetta and foreign section aide Comrade Remo Salati and, on the Palestinian side, Fatah Foreign Affairs chief Comrade Abu Hatim, PLO representative in the FRG Comrade 'Isam Kamil, PLO representative in Italy Comrade Nimr Hammad and Palestine National Council member Father Ibrahim 'Ayyad. At the end of the meeting, during which the main topics discussed were problems concerning the situation in the Middle East, Comrade Faruq Qaddumi conveyed to Comrade Berlinguer and to all Italian communists the fraternal greetings of Comrade 'Arafat and the PLO and the most heartfelt appreciation for the PCI's support for and solidarity with the Palestinian cause. [Unattributed report: "Meeting at PCI headquarters with Berlinguer and Pajetta"] [Text] [PM231551 Rome L'UNITA in Italian 20 Mar 82 p 21]

CSO: 3104/156

'MILLIYET' ON KUWAIT RELATIONS AFTER EVREN VISIT

NC260802 Istanbul MILLIYET in Turkish 23 Mar 82 p 1

[Editorial by Mehmet Barlas: "A Successful Trip"]

[Text] Head of state Gen Kenan Evren's short visit to Kuwait reached a very successful conclusion indeed. The Turkish-Kuwaiti cooperation agreement signed before his departure from Kuwait envisions Kuwait's contribution to the Turkish economy both in the form of "credits" and "partnership" and the adoption of a comprehensive system in developing the Turkish-Kuwaiti economic relations--which have so far been conducted through independent projects--by a joint commission.

Why is Kuwait, which is known to have used the money gained from oil in the most healthy and profitable manner, taking such an active interest in Turkey?

The first question that comes to mind at this point is, naturally, "what kind of political concession is Turkey making to Kuwait in response to such economic support?" For example, Kuwait is one of the countries which wants Turkey to sever its relations with Israel.

Meanwhile, Turkey abstained from voting in the United Nations on Israel's annexation of the Golan Heights. All these issues have been taken up at the Turkish-Kuwaiti talks during which the members of the Turkish delegation headed by head of state Gen Kenan Evren explained to the Kuwaiti delegation that there was no change in our basic policy now nor would there be any change in the future.

In other words, Turkey has once again stressed that the Turkish-Kuwaiti economic cooperation agreement and the Kuwaiti credits will not reflect on our foreign policy.

Under these circumstances, it is observed that the basic reason for the interest taken by Kuwait in Turkey does not stem from a desire for political concessions, but from a desire to see a strong and economically developed Turkey which will be conducive to the stability of the Middle East.

Currently, the continuing Iraqi-Iranian war is an example that can upset the sensitive equilibrium of the Middle East which has always been pregnant with

crisis. Kuwait, which is a gate opening to the Persian Gulf in the region, naturally feels uneasy in face of all this and other sources of disagreement.

A powerful and stable Turkey is eventually a source of confidence as much for the entire Middle East as for Kuwait. Iran and Iraq, the two strong neighbors of Kuwait, are neighbors of Turkey as well. Moreover, Turkey is trying to reconcile these two countries. And again, Turkey is opposed to Israel's expansionism to which Kuwait too is very sensitive and it is on the side of the Arabs.

When all these are evaluated, the contribution of a few billion dollars of economic aid to Turkey reflects a wise policy which will insure not only our future but that of Kuwait as well.

CSO: 4654/232

'HURRIYET' ON THREAT TO PROPERTY OF W. THRACIAN TURKS

NC240814 Istanbul HURRIYET in Turkish 21 Mar 82 p 3

[Text] Iskece (Xanthi), (HURRIYET)--The socialist Greek government has begun to threaten the expropriation of the immovable property of western Thracian Turks, lands which they inherited from their ancestors. Following Papandreou's assumption of power, efforts to expropriate Turkish property have taken on dangerous proportions. The atmosphere in western Thrace is extremely tense. At the moment, our 120,000 kinsmen in western Thrace are living in fear of losing their lands.

Papandreou, whose party's aim is to eradicate the Turks in western Thrace in reprisal for the Greeks [who fled Turkey] in Istanbul, is preparing to introduce "rents" and "taxes" for the entire period which has elapsed since the seizure of western Thrace from the Turks. This effort is intended to cow the Turks there and to acquire their lands without any objection. If the western Thracian Turks are compelled to pay "rent to the treasury" and also about 60 years "taxes" on the registered lands they inherited from their ancestors, they will not only have to part with their property free of charge but they will also be indebted to the Greek state for the rest of their lives. This will "lead to a new exodus to Turkey."

"The moral and material pressure brought to bear on the Turks in western Thrace by Papandreou, who professes to lecture the world on "human rights" and "the state of law," aims at the "extermination" of a minority.

CSO: 4654/232

TURKMEN DISCUSSES GREECE WITH U.S., USSR ENVOYS

NC230915 Istanbul HURRIYET in Turkish 19 Mar 82 pp 1, 13

[Report by Ali Utku]

[Text] Ankara (HURRIYET)--While the positive echoes of the positive developments of recent days in Turkish-Greek relations continue, the Soviet Union and the United States have obtained information from Turkey regarding these developments. This information has been supplied by Foreign Minister Turkmen, on behalf of Turkey, who received separately the ambassadors of both these countries in Ankara.

Both the U.S. ambassador, Strausz-Hupe, and the Soviet Union's ambassador, Rudin V, called on Foreign Minister Ilter Turkmen separately the other night and obtained information about the "softening" in Turkish-Greek relations.

In explaining to both ambassadors the softening in Turkish-Greek relations, Foreign Minister Turkmen clearly stated that Turkey will not abandon its policy of opposing the militarization of the islands which is contrary to international agreements, that it will not consent to the extension of Greece's territorial waters in the Aegean to 12 miles, that it will insist on the settlement of the question of FIR (flight information region) regarding the Aegean airspace, that it will not consent at this stage to the unilateral exploitation of the natural wealth in the Aegean Sea and that Turkey will use its rights in this respect and, that it will continue to urge Greece not to oppress the Turks in western Thrace.

Foreign Minister Turkmen has also stressed that Turkey was in favor of finding a solution to the issues between the two countries "through peaceful negotiations," that Turkey wishes to see the Aegean Sea as a "sea of peace," and reiterated his view that this would be in the interests of both countries.

In parallel with the unexpected developments of the past week, the ambassadors were told that the Greek ambassador to Ankara, Papoulias, called at the Foreign Ministry the other night and had a 90-minute talk with Foreign Ministry Secretary General Kamuran Gurun, and that Greece was expected to display its good will.

Foreign Ministry Secretary General Kamuran Gurun and Greek Ambassador Papoulias dwelt on the usefulness of friendly relations to both countries. The Greek ambassador stated that he shared this view and promised to exert efforts toward the further strengthening of Turkish-Greek relations. This meeting was characterized as a positive development. It was stated that the possibility of resuming a dialogue had increased.

The Foreign Ministry authorities have stated that Turkish-Greek relations, which have been strained for months, have shown signs of softening since last week, but it was still too early to say this softening "is a positive development." They added: "Greek Prime Minister Papandreou has brought about this tension in the relations. Now he is obliged to show a gesture of good will which will give the softening of these relations a positive character. We expect Papandreou to abandon his inconsistencies and to display his good will."

The authorities further stated that in time Papandreou's intentions will become "clear," and added: "Turkey will contribute to converting this softening of the atmosphere into a positive development. But it is important that Papandreou's true intentions should assume clarity, and that he should show that developments could come about in our relations. The convincing element in Papandreou's attitude must be clear enough so as not to need interpretations."

CSO: 4654/232

BRIEFS

GERMAN-FRENCH TANK PROJECT--Helmut Schmidt is risking a new argument with his party. At the Franco-German summit meeting the chancellor promised his host Francois Mitterrand last week that he would work for the continued development of a joint battle tank, although the defense committee in Bonn and the FDP fraction reject the project. Mitterrand brought the touchy subject up three times in Paris. The controversial plan has almost "symbolic character for the socialist Mitterrand. If he and Schmidt had their way, the tank would be followed by further joint projects and closer military cooperation to create a counterbalance to the NATO strategy of the United States. Failure of the project would, therefore, necessarily have serious consequences for the relationship between the two neighboring countries. Without good relationships with Mitterrand, Schmidt cannot defend himself successfully against the U.S. policy of high interest rates and the arms build up. Good cooperation with Paris is worth something to the government leader in Bonn, even renewed criticism inside the party. Foreign Minister Genscher, on the other hand, is hoping to make the tank conflict disappear by means of his eloquence: He is convinced that he can persuade the French to look for other joint arms projects. [Text] [Hamburg DER SPIEGEL in German 1 Mar 82 p 16] 9581

CSO: 3103/315

DEFENSE EXPERT COMMENTS ON REORGANIZATION PROPOSAL

Copenhagen BERLINGSKE TIDENDE in Danish 16 Mar 82 Sec II p 2

[Article by Major General Erik Kragh]

[Text] Major General Erik Kragh analyzes and comments on the most important points in the proposal for a new Defense Act that has been presented by the defense minister.

Erik Kragh was a member of Folketing (Conservative) 1960-71. Spokesman on defense policy. Member of Foreign Policy Board and the 1946 and 1969 Defense Commissions.

On 26 January the defense minister presented a proposal for new defense legislation. The proposal is based on the political compromise concerning the funds that can be made available for defense in the next few years.

Since the public debate on these bills seems to have been quite meager, I would like to illuminate the most important part of the proposal--from a security policy point of view--the proposed law on the reorganization of the armed forces.

It is noteworthy that in contrast to all earlier defense laws, there is nothing in the proposed law concerning the organization, composition and level of strength of the armed forces. It is left entirely up to the current defense minister at any given time to determine those things. (Paragraph 3 of the proposed law: "The size, composition and organization of the Army, Navy and Air Force as well as support bodies for the armed forces will be determined by the defense minister.") It is true that he must inform Folketing's Defense Committee on the status, etc. of the armed forces but that does not alter the fact that the powers proposed for the defense minister would in reality eliminate parliamentary control over the armed forces and their minister. That is something quite unique in Danish parliamentary history.

The two main areas I will discuss in the proposed law are 1) the task of Danish defense and the armed forces and 2) the proposed changes in the top leadership of the defense system.

With regard to the task for military defense, the remarks on the proposed law state that "preventing war as far as Denmark is concerned depends on our own defense investment and our ability to maintain Denmark's sovereignty as well as on our capacity for receiving allied reinforcements. Thus Denmark's defense should have a composition, size and resistance capacity that would make it possible to bring in and cooperate with allied reinforcements." (Readers should keep this in mind when they read later accounts of the forces that are supposed to fulfill this task.)

The task could hardly be defined better. But when one reads later on in the remarks that "in order to create a balance between goals and means, it is necessary to adjust the tasks defense is supposed to perform and thus the strength levels and composition of the armed forces as well--to the economic limits that have been provided," well, one simply has to say that the last quotation really makes the definition of the task, the "goal," nothing but hollow phrases. For the task cannot be "adjusted," it is set by the general larger political and strategic situation over which Folketing has no influence.

In this connection, a reference to what is involved in NATO strategy seems natural. NATO's most important task is to prevent war by having nuclear and conventional forces of such quality and quantity that the Soviet Union, out of fear of the consequences to itself, will not dare to initiate any military actions, large or small, and will hesitate to attempt any political extortion based on military strength. Where they can anticipate resistance that cannot be quickly subdued and that makes allied intervention possible, there will be no attack.

It is understandable that many people are frightened by the growing nuclear arms arsenal on both sides, but the only realistic way in the next few years to prevent these weapons from being used is to strengthen the conventional defense of West Europe to block military actions and thus remove the danger that such actions could escalate to include the use of nuclear weapons.

To go back to the "adjustment" of defense forces and composition, it should be mentioned that the remarks on the proposed law state that the Army, Navy and Air Force will be cut back in the next few years. The defense minister expanded on this in his presentation of the proposed law.

At the end of 1984 the Danish Army will have in its standing forces, i.e. those ready for combat, 4000 men in Jutland and Funen, 2500 men on Sjaelland and Lolland-Falster and 500 men on Bornholm. It is further stated that the standing forces will be formed in brigades (three in Jutland and two on Sjaelland). When one bears in mind that a brigade normally has a strength of around 4500 men, it is hard to imagine brigades going into battle with only 1200 men (a third and a half respectively of the 4000 and 2500 men).

Yes, one might say, but we will be warned so that we will have a chance to call up supplementary forces and thus bring the brigades up to full strength. Of course it is possible and perhaps even probable that we would have prior warning, but in the worst case, for example if we represent a temptation to launch an attack along the lines of a coup, we would have no warning. The Israelis did not get any warning in 1973 and there is no reason to believe that Israel's intelligence service is poorer than NATO's.

The purely historical perspective in these troop strength goals is as follows: in 1953, the standing forces in the Army amounted to 18-19,000 men, reduced in 1954 to 16,000 men, in 1960 to 13,000 men, in 1973 to 8500 men and now, according to the proposal, it will be cut to 7000 men.

Where the Danish Navy and Air Force are concerned, it is difficult to give concrete figures as a result of studying the official publications that are available, but it is possible to gather from this material that there has been a reduction of these two branches over the last 25 years, although not such a drastic one as in the case of the Army. The proposal now presented contains these remarks: "Where the Danish Navy is concerned the number of fighting units will be reduced" and "where the Air Force is concerned the number of combat planes will be reduced."

In this connection, we must be permitted to ask the defense minister if the proposed legislation--as was the case in 1960 and 1973--was presented to NATO authorities. If not, why not? If so, why has the public not been told what NATO's comments were? Has the Defense Command been asked for its comments on the proposal? Why has the public not been informed of such comments?

The paradox in this entire development since we joined the NATO military organization is that we had the strongest defense in the years when U.S. superiority in the nuclear and maritime areas was so great that it really did prevent any military action, but now, after the enormous Russian arms buildup in all areas and an increasingly aggressive Russian foreign policy and psychological warfare resulting in a dangerous situation, we have the weakest defense and under the proposal it will become even weaker.

The second area of the proposed legislation to be examined is the proposed changes in the top defense leadership.

Under the present law (dating from 1973), the chiefs of the Danish Army, Navy and Air Force are directly responsible to the defense chief for the training of personnel and units.

Under the proposed legislation, the positions of service chiefs would be eliminated. They would be changed to service inspectors coming under the chief of the defense staff (and not the defense chief who in the past had the chief of the defense staff and the three service chiefs directly under him as coordinates).

This would not be a good change, for several reasons. The current chief of the defense staff at any time comes from one of the services and thus has only limited knowledge of the other two services. It could also lead to a weakening of the identities of the services, having purely moral consequences, among other things, for the various branches and, finally, it will mean the elimination of the Defense Council on which the chief of the armed forces operative forces (the Karup unit command) also has a seat.

From a logical point of view, the proper arrangement would be to have the chiefs of the Danish Army, Navy and Air Force maintain their independent authority, responsible to the defense chief directly for the training of personnel and units and for personnel administration (promotions, schools, and so forth). In these areas, the service chiefs have a special background and knowledge which in the nature of things the chief of the defense staff at any given time cannot possess.

The conclusion with regard to the proposed law on defense organization, etc. must be that it is a continuation of the reductions which began in 1954 and have continued ever since.

It is obvious that in our era Denmark cannot be secured with its own forces. Our security depends on help from our allies. But if they are to involve their forces in Denmark, they must have a reasonable assurance that we have created the prerequisites for their involvement, so that their forces will not be sacrificed for no good purpose. Such considerations will undoubtedly enter into their political decisions, regardless of military plans.

Have we created these prerequisites with the forces provided for by the proposed law?

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CSO: 3106/83

EPPLER, LAFONTAINE TO KEEP QUIET ON MISSILE MORATORIUM

Hamburg DER SPIEGEL in German 1 Mar 82 p 16

[Text] Contrary to previous announcements, the left wing of the SPD now wants to avoid a test of strength with Chancellor Helmut Schmidt at the Munich convention, in order, according to the former mayor of Hamburg, Hans-Ulrich Klose, "not to confront the convention with an insoluble dilemma."

At their meeting on Ash Wednesday in Frankfurt, opponents of the arms buildup around Erhard Eppler and Oskar Lafontaine accepted the recommendation of the party board not to make a decision until 1983 about stationing new medium-range missiles. It is now clear: The attempt by numerous district and Land SPD organizations to renounce the NATO dual decision is not finding a prominent spokesman in Munich.

Even Eppler, the symbolic figure of the internal party peace movement, promised to remain silent on this point. It is a paradoxical situation: The comrades on the left are having to resist the rank-and-file pressure which they themselves helped to create.

The meeting was unanimous in agreeing that the arms buildup could not continue during the negotiations in Geneva. But at the same time Lafontaine took the edge off his own moratorium proposal: He dropped his original demand that in Geneva the United States should offer to halt the stationing of the 2,500 planned cruise missiles. Then it would be the Soviets' turn: To persuade NATO to accept a moratorium, according to Lafontaine, they would have to reduce the number of their warheads in the medium-range area to the 1978 level. If Moscow refuses, the intricate plan would boomerang: Then an arms buildup would be the only logical result.

However, the chancellor does not seem willing for the time being to accept the compromise that has been offered. At the last SPD committee meeting Schmidt complained that the main proposal on defense policy was causing him enough of a pain in the stomach in its present form. Addressing the workers' wing of the SPD, he made fun of the mayor of Saarbruecken last Friday: "There are very find Social Democrats on the Saar, they have a majority in NATO."

9581

CSO: 3103/315

REPORTEDLY SUSPICIOUS CHANGES PLANNED IN SECURITY CORPS

Athens I VRADYNI in Greek 3 Mar 82 p 1

/Text/ The announcement Public Order Minister Skoularikis made yesterday about the draft law being prepared on "democratization" of the Security Police has created /wrong/ impressions and has prompted many questions among its officers.

More specifically, the minister said that among other things this bill provides such changes in the training program of cadres so as to "modernize it" and to have it represent "the spirit of the present era." He also said that "the notion existing until now that the officers must be members of the right or the extreme right must also be eliminated... The officer's personal ideas should not have a place in the service."

In response to a question, the minister said that in the Security Police schools courses in anti-consumerism are not given openly but rather in a "subtle way" and he let it be understood that such courses will be eliminated. "The school will be limited to courses promoting the officer's spirit," he added.

The questions arising from the minister's statements concern first the meaning of the expression "spirit of the present era" and especially as it concerns the Security Police which has a clear and definite mission in our society and second how he envisions the personal ideas of an officer. Besides, as was pointed out, the officer is under obligation to implement the law in all directions.

Finally, as concerns the elimination of certain courses, the difference was pointed out between history and "anti-communism."

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CSO: 4621/239

RETIREMENTS, APPOINTMENTS IN ARMED FORCES LISTED

Athens I VRADYNI in Greek 3 Mar 82 pp 1, 2

/Text/ One lieutenant general, four major generals, one major general, eight commodores and four more higher officers of the Judge Advocate's Corps were retired yesterday by the General Staffs Officers Council /SAGE/. The retirements took place within the context of the annual (during March) /performance/ ratings of the senior officers of the armed forces. SAGE has already completed all ratings from the rank of brigadier general to and including that of lieutenant general.

Who Are Retired

SAGE met yesterday under the chairmanship of Admiral Degiannis, chief of the National Defense General Staff, and retired the following 13 senior officers of the three branches: Lt Gen D. Tzoumakos, appeals judge, class A of the Judge Advocate's Court (he now assumes the title of honorary judge, class A); Maj Gens Th. Mavrogiannis and A. Bakavos, both appeals judges, class B (they retire as appeal judges, class A); Maj Gen G. Frangogiannis of the air force technical division (he retires immediately); Brig Gen Khr. Dimitriadis, appeals judge, class C (he is promoted to class B and retires after a month).

The following major generals were retired immediately with the rank of lieutenant general: N. Giakoumis, N. Kiarlidas, A. Psykhas and Styl. Stergidis. All were given the title of honorary division commanders.

Finally, the following commodores were promoted to rear admirals and are retiring after a month: P. Bekiros, N. Sofras (both in combat arms), Sp. Vasiliadis, N. Nikolaidis (engineers), P. Giannakakos, K. Kyriakos (Finance Corps), and Gr. Rendis, St. Vlavianos (Medical Corps).

ASEA Holds Meeting

The Supreme National Defense Council /ASEA/ met under the chairmanship of Premier /and Defense Minister/ A. Papandreou and decided to promote Athanasopoulos to lieutenant general, appeals judge, class A. He also replaces Tzoumakas as chief of the Judge Advocate's Corps.

To fill vacated positions, ASEA also promoted major generals Penthepodakis and Mandanos to lieutenant generals and assigned them respectively to the Attiki Military Directorate and to first assistant chief of the Army General Staff.

New Promotions

By April the appropriate councils of the three arms will meet for the purpose of filling vacated positions, of proceeding with new promotions and of rating senior officers.

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CSO: 4621/239

BRIEF

GENDARMERY CHANGES--All gendarmery major generals will remain in their positions by decision of the Supreme Rating Council [ASK] which met yesterday and which also reappointed, following their applications, 14 colonels and one chief surgeon who last year were rated as "having satisfactorily terminated their careers." ASK ruled that they were properly retired. Also, following their applications the council reappointed 15 lieutenant colonels who were judged as promotable through seniority. It also found valid the complaints of 11 officers who are already considered to be promoted by choice. They are: N. D. Kanderakis, N. Bakogiannis, S. Pylaridis, E. Vasilakis, A. Evstathiou, K. Papathanasiou, E. Khatzimarkakis, Z. Bouloukos, E. Alexopoulos, A. Foundas and N. Manolenakis. ASK also accepted the appeals of 11 of the 22 majors who had requested a reevaluation of their ratings. These 11 had been promoted through seniority and following acceptance of their appeals they are considered as promoted by choice. They are: T. Stefanakis, V. Anagnou, I. Barounis, Kh. Theokharopoulos, S. Banas, S. Dolapsakis, G. Plakias, A. Koutso-mitros, Th. Rigalos, Z. Douvalis and G. Sverkos. Finally, ASK reappointed Colonel D. Tetradis and Major Al. Kavrakos who had retired earlier. [Text] [Athens
ELEVTHEROTYPIA in Greek 10 Mar 82 p 147 7520

C30: 4621/239

1982 MILITARY BUDGET EXPECTED TO BE 2.04 PERCENT OF GDP

Madrid EL PAIS in Spanish 26 Feb 82 p 17

[Article by Javier Angulo: "The New Military Investment Program Will Put the Armed Forces on a Par With Western Europe"]

[Text] Material modernization of the Spanish Armed Forces in the next 8 years, until they are on an average level with the countries of Western Europe, is the objective of the law on budgetary appropriations for investments and maintenance of the FAS [Armed Forces], on whose draft the minister of defense, Alberto Oliart, reported extensively yesterday to the pertinent congressional committee. On the basis of that law, the budgetary appropriations provided for equipment and maintenance of the FAS up to 1990 will amount to a total of over 2 trillion today's pesetas, that is to say with correction for inflationary attrition.

Before going on to an article-by-article analysis of the bill, which is to go to the Budget Committee by majority decision of the Spokesmen's Board, Alberto Oliart discussed the evolution of Defense expenditures in the Gross Domestic Product, which has increased from 1.64 percent in 1971 to 2.04 percent assumed for 1982. In this connection, Oliart pointed out that, consistent with Spain's present economic situation and actual possibilities, a great effort was made to place the Defense budget at the present level, which is already very close to the 3-percent level recommended for NATO countries.

The bill provides, in its first article, authorization for the government to carry out a new overall investment program, replacement of materiel, equipment and armament, and maintenance of the Armed Forces in the period from 1983 to 1990, both inclusive, assigning development and implementation to the Ministry of Defense. In this connection, the minister of Defense, Alberto Oliart, stressed the importance of article eight in the bill, in accordance with which his department can propose to the government those measures that will make it possible to promote the nation's production as much as possible in carrying out the investment program.

Oliart stated before the Defense Committee that "this article is in accordance with this minister's desire to give priority to the nation's industry in Defense matters, to the idea of using this law to give rise to the maximum effect of investment and expansion possible in it." He added, in this connection, that there is going to be an intensification of action for promotion

of the armament industry, intended not only for companies that manufacture arms directly, but also for those companies that make equipment for incorporation in defense systems. Next he mentioned, as priorities in this field, the optical, telecommunications and electronics industries.

Alberto Oliart also emphasized the import of article 10 of the law, which empowers the government to propose, in view of circumstances of any nature that may affect implementation of the program and when these circumstances so warrant, updating of the appropriate budgetary allocations and, if necessary, revision and modification of the above-mentioned program. In any case, the government is obliged, under this article, to send to Parliament before 1 January 1986, a bill that will revise and, if necessary, modify the appropriations for the next 4 years and will extend effectiveness of the law to the end of 1994, in order to give continuity to the overall program of investments, replacements and maintenance of the Armed Forces.

230,689 Million for 1983

The allocation provided by the law for 1983 amounts to 230,689 million pesetas, which will go up to 309,845 million in 1990, still on the basis of keeping the defense outlay at 2.04 percent of the Gross Domestic Product.

In Oliart's opinion, when the law becomes effective, it will probably make sizable improvement possible in the equipment of the Navy, Army and Air Force. With regard to the Air Force, he pointed out that the training and operating capability would be 50 percent of the Western countries. He stated that, with the program, payment for Mirage F-1 aircraft would be completed and investment would be made in electronic equipment and in the purchase of new fighter-bombers to replace the Phantom and F-5 aircraft 87 to 90 of which are to be removed from service starting in 1986. The number of this type of aircraft will not undergo an increase.

With regard to the Navy, the minister stated that the naval program in progress will be concluded and, in this connection, he stated that an aircraft carrier will be launched in May and that three antisubmarine frigates will also be built starting in 1985. He also said that within the program a series of Angosta submarines will be completed to replace the four submarines turned over by the United States, one of which has already been decommissioned. In Alberto Oliart's opinion, the investment program must also handle accomplishment of part of the new naval program, which includes construction of two destroyers and seven ocean-type escort frigates, which, as the minister pointed out, must be capable of providing defense on the essential routes in the South Atlantic and the Mediterranean.

Under the heading of investments intended for the Army in the program Oliart emphasized the ones intended for paying for commitments acquired for the purchase of modern M-47 battle tanks, Pegaso BMR [wheeled medium-armored] vehicles, combat helicopters and electronic warfare equipment. The program also provides for an increase in the antiaircraft defense power, with the purchase of low-altitude missiles and renovation of the equipment of immediate intervention units.

In the questioning period, all the representatives, with the exception of the Center representatives, criticized the fact that the Ministry of Defense is submitting a budget for material allocation for the Armed Forces when the Spanish Government's Defense policy has not yet been debated. In this connection, Oliart promised that this debate can take place in the Defense Committee, once its members receive the report accompanying the bill.

In addition the present chairman of the committee, Guillermo Medina, stated, yesterday, that when the new committee is set up, in accordance with the renewed regulation, he intends, if he is reelected to his present post, to sponsor a debate on the general lines of Spain's policy on Defense matters.

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BRIEFS

ERT'S KHATZIDAKIS DISMISSED--Following an especially upsetting period characterized by uncertainty and excessive sharpness--at least from one side--the Third Program [radio broadcast station] has severed its relationship (at least formally) with Manos Khatzidakis. In a brief statement, the administrative council in effect approved the decision made by the ERT [Greek Radio and Television] directorate, irrevocably and definitely cancelling its contract with Manos Khatzidakis. The ERT administrative council's statement issued last night reads as follows: "The ERT administrative council, in a previous decision, had accepted Manos Khatzidakis' proposals for the reactivation of the Third Program. Mr Khatzidakis' statement, in which he impugns the good will of the administration and the general directorate toward him, as well as the entire text of his letter to the general director, have convinced the administrative council that no hope exists for future cooperation. The administrative council has reached this conclusion regretfully, because it values Mr Khatzidakis' work and talent, a fact of which the new administration had apprised him from the very start. The administrative council has thus unanimously decided to rescind the ERT cooperation with Mr Khatzidakis and to cancel their contractual relationship. The post of director of the Third Program has already been entrusted to Mr I. Kambanellis." [Excerpt] [Athens TO VIMA in Greek 12 Mar 82 p 5]

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